



Industrial revolutions FAG logo

FINANCIAL TIMES

HINE connoisseurs' cognac logo with stag

On SAVINGS ABBEY LIFE First unit-linked mortgage scheme P.6 MOTORING High hopes for the Ford Sierra P.9 FEATURES LONDON STOCK EXCHANGE The fall of the House of Sebag P.14 P.15 The video rental boom GOLF Form for the U.S. Open P.13 BOOKS Tony Crosland: A personal biography P.10

NEWS SUMMARY

Israeli jets in retaliation raids

Israeli jets struck at Palestinian targets in Beirut in large-scale retaliation for the shooting in London on Thursday of Shlomo Argov, the Israeli Ambassador to Britain.

Spain plans court appeal on plotters

The Spanish Government started preparing an appeal over what it said were lenient sentences imposed by a military tribunal, trying 32 officers and a civilian for last year's abortive coup.

Diplomat slain

Kuwait diplomat Mustafa al-Marzook was shot dead by gunmen outside his New Delhi home.

Nurse grabbed

The International Committee of the Red Cross said a nurse Marie-Jose-Burnier had been abducted by armed men in Angola.

S. Africa blast

A man was killed when a bomb rocked a Cape Town building housing the President's Council, a government-appointed advisory body.

Dublin death

Motorcycle gunman killed Crossmaglen man Jim Flynn, 37, as he left a Dublin pub. He was thought to have been struck for his Republican views.

Ban lifted

South Africa has lifted the ban on the novel A Ride on the Whirlwind, said to be an important contribution to the country's black literature.

Loren still held

Lawyer for actress Sophia Loren, who has been granted parole after serving half a 30-day sentence for tax evasion, said she is still in jail because of bureaucratic delays.

Two dead in car

Runaway father Alexander Reynolds, 34, and his five-month-old daughter Kim, whom he grabbed on Wednesday, were found dead in a car near Welwyn, Herts.

SNP threat

Scottish National Party chairman Gordon Wilson threatened to resign if factions within the party are not purged.

Vandals move

Birmingham Council is to recruit a 50-strong anti-vandal squad to patrol schools and other public buildings.

Briefly

£250,000 Premium Bond prize was won by number SKB 883217. Ernie's 25 years, Page 6. Thieves raided the Indian cricket team's coach parked near the Oval, London.

Haig says Argentina should withdraw

MR ALEXANDER HAIG, the U.S. Secretary of State, yesterday emphasised in the clearest possible terms that the withdrawal of Argentine forces from the Falklands was the only way further bloodshed on the islands could be avoided.

Battle expected for Stanley

BRITISH FORCES in the Falkland Islands do not expect the Argentine garrison at Port Stanley to surrender without a fight.

Carr, Sebag ceases to trade

CARR, SEBAG & CO, once one of the largest stockbroking firms in the City of London, ceased to trade at the close of business on the Stock Market last night.

Interest rates ease as pound stays firm

UK short-term interest rates continued to ease yesterday reflecting optimism about the outcome of the Falklands crisis and raising expectations of an imminent cut in bank base rates.

RCN turns down 6.4% pay offer to nurses

THE CAMPAIGN of industrial action by health service workers was greatly strengthened yesterday when the 200,000 strong Royal College of Nursing (RCN) announced that its members had rejected the Government's 6.4 per cent pay offer to nurses.

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated) RISES Treasury 3% 1986: 279 + 4 Treasury 12% 1987: 296 + 4 Bishop's Group A: 108 + 12 Clyde Blowers: 142 + 4 Fisons: 350 + 10 Glaxo: 707 + 11 Greenfields Leisure: 96 + 2 Hegeworth (J.): 114 + 9 Int. Bus. Systems: 105 + 9 Minc: 196 + 6 NIEL: 95 + 3

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OVERSEAS NEWS



# Banquets, but no bills, at Versailles summit

BY REGINALD DALE AND DAVID HOUSEGO IN VERSAILLES

THE PALACE of Versailles, the ultimate symbol of a luxurious but decadent French monarchy, might seem an inappropriate place for a Socialist President to wine and dine world leaders at a time of recession and massive unemployment.

M. Francois Mitterrand, host to the seven-nation world economic summit, will certainly go out of his way to ensure that the final communiqué cannot be interpreted as a call to Europe's jobless to "eat cake," in the words of a deceased queen who was married to Louis XVI in the Hall of Mirrors where the heads of government will hold their final ceremonial dinner tomorrow night.

There is a long list of precedents for such international activity here. The 1919 Versailles Treaty, which put the diplomatic finishing touches to the end of World War I, was signed in the same Hall of Mirrors and the first U.S. am-

bassador to France, Benjamin Franklin, went there to pay his respects to Louis XVI in 1778.

After being assured of French friendship, Mr. Franklin, according to the official account, "wept openly". We shall see if President Ronald Reagan, who wields a fairly useful tear duct himself, does likewise.

**Restoration**

The French are coy about how much the summit will cost, though they insist that it is by no means the most expensive. "When you ask somebody for dinner," says an official, "you don't tell him what the bill was."

But the preparation has been elaborate. The FFf 200m (£18m) restoration programme for Versailles begun in 1978 has been speeded up to the delight of the curator, who says that more rooms will be open to the public after the summit ends.

The Grand Trianon has been transformed into guest suites for the heads of government (and for President Mitterrand), with the addition of six bath-

rooms. Four of the rising stars of French cooking have been given the task of preparing the Sunday night banquet for 200 in the Hall of Mirrors.

However, opulence is not the note that France's Socialist Government likes to strike. For Mitterrand, with his passion for history, Versailles has other echoes than the last days of a decadent monarchy. Its formal architecture and gardens reflect the order and planning that Louis XIV and his Minister Colbert imposed on France. It is a symbol of French influence in the world. It was where foreigners flocked to see the wonders of the French genius.

Hence the inspiration of making this summit conference a showcase for French electronics and "telematics." Heads of government can scribble messages to their delegations on electronic screens. Journalists have access to information banks that include such intriguing items as "recovery (in France)" and "solidarity (in France)". But yesterday's equipment was still having its

teething troubles. "Out of order," said one official pointing to a newly installed telecopier.

The citizens of Versailles have been up in arms over the two-week closure of the palace and its grounds during a high point in the tourist season. The town has been drained of its normal throng of coaches and thirsty sightseers. But yesterday the traffic jam had returned and bars and restaurants again filled up. Were the grumbling proprietors pleased? Not a bit of it. The cafe opposite the Orangery, where the press centre has been installed, closed its doors at one point in the face of the onslaught. "I am not a slave," said the barman.

**Grumbling**

President Reagan, who has been pacing himself carefully at the beginning of what is likely to be a gruelling nine-day tour of Europe, will have the benefit of the company of his wife Nancy at least for some of the time. Mrs. Reagan, who apparently invited herself, has

a separate programme involving a trip to the Normandy beaches and a visit to the painter Monet's house at Giverny. In case anybody does not recognise her, the official handout thoughtfully included the following description: "A petite woman, she has bouffant brown hair and sparkling brown eyes that sometimes appear hazel. Her good looks helped her move into the theatre—where she met her future husband on a blind date."

Least amused by it all is former President Valery Giscard d'Estaing, who is said to have been furious when the Americans described his old rival M. Jacques Chirac, Gaullist leader and Mayor of Paris, as the "leader of the Opposition." Mr. Reagan was due to pay M. Chirac a courtesy call.

It is rather ironic that the former infantry sergeant M. Mitterrand, should be holding court at Versailles this weekend, given that it was M. Giscard d'Estaing who used to claim to be a direct descendant of Louis XV.

## Spanish Government to appeal against coup trial sentences

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government yesterday began preparing its appeal against what it considered lenient sentences imposed on Thursday by the military tribunal trying 32 officers and one civilian for the abortive February 1981 coup.

The military court absolved 11 officers and sharply reduced all the other sentences demanded by the prosecution save those of the two principal figures—General Jaime Milans del Bosch, former head of the Valencia military region, and Colonel Antonio Tejero, the Guardia Civil officer who led the seizure of the Cortes (parliament). Both General Milans del Bosch and Col Tejero were given the maximum 30 year sentence sought by the prosecution.

The appeal will go to a civilian court. This is the first time such a mechanism has been used in Spain and could create the unprecedented situation of a civil court over-ruling military jurisdiction. The appeal risks provoking a serious confrontation between the civil and military authorities.

However, yesterday there was a mood of indignation among members of parliament over the verdict. Nine of the officers absolved played an active part in the seizure of parliament and the resulting humiliation of its members.

Former Premier Sr Adolfo Suarez, whose resignation last year is widely believed to have been caused by military pres-

sure, broke months of silence to comment on the sentences. In a newspaper article entitled "I disagree," he said that the sentences "give inadequate protection to the rights of the Spanish people."

The leading liberal daily, El Pais, wryly noted that "on the present showing the price to be paid for playing a subordinate role in a military rebellion comes out pretty cheap."

Criticism has focused not only on the leniency but also the system of military justice which permits those condemned to three years and less to preserve their rank and employment in the armed forces. Further, the tribunal's recommendation that the 30-year sentences for the two main culprits be commuted to 20 years for personal reasons raised some eyebrows.

The ruling Union de Centro Democratico and the socialist party called for a thorough reform of military justice. However, there is a strong irony in such demands. When Parliament discussed the reform of military justice two years ago the political parties were so afraid of offending the armed forces that only one substantial change was made—allowing appeal to a civilian court.

Of those on trial only Gen Alfonso Armada, former military adviser to the King, has decided to take advantage of his right of appeal. Gen Armada, for whom the prosecution sought a 30-year sentence as one of the coup ringleaders, was given only six years.

## Unofficial Soviet peace group begins

By Anthony Robinson in Moscow

AN INDEPENDENT Soviet peace movement, free of ties with the official, party-controlled peace movement, was launched here yesterday at a news conference in a suburban Moscow flat.

The movement—its 11 founder members composed mainly of scientists, mathematicians, and doctors in their 30s—began with an appeal to the governments and peoples of the Soviet Union and the U.S.

"We believe it is high time for the public at large not only to put peace and disarmament proposals before decision-making politicians, but also to solve these problems with them. . . . It is high time the politicians included the enormous creative potential of the general public in the search for disarmament and peace," the appeal stated.

Risks called for "participation of the Soviet and American public on equal terms in the dialogue between politicians," and said the movement stood for "a consistent and, in the end, total liquidation of nuclear arms and other stocks of weapons of mass murder, for limitation and reduction of conventional arms." It called for "a free exchange of opinions" between the U.S. and the Soviet Union, and for "informing the public of both countries about disarmament issues."

So far, the movement's organisers has obtained only 27 signatures to the appeal. But now that the movement has gone public, they hope for wide support and will be canvassing for signatures and support through personal contacts and in the streets across the country.

The embryo peace movement poses an acute dilemma to the Soviet security apparatus under Mr Vitaly Fedorchuk, its new chief.

The Soviet Union has been lavish in praise of and support for similar peace movements in the West. It has also been greatly heartened by the pressure which organised public opinion of this kind has had on Western governments.

However, the Communist Party has been opposed to any kind of spontaneous public manifestation not controlled by the party or its front organisations.

The official Soviet peace movement, led by Yuri Zhukov, a veteran central committee member, was formed in 1948 and has more than 41m members. It faithfully echoes the peace slogans of the Soviet Government, with emphasis on the peace-loving nature of the Soviet state and the aggressive war-mongering designs of Nato.

The Soviet tradition has been to suppress non-official organisations, such as the unofficial monitoring group set up in this country after the 1975 Helsinki treaty, to monitor Soviet compliance with the treaty's provisions for human rights and similar matters.

Open suppression of the new peace movement, however, would gravely compromise the credibility of the Soviet peace programme for western peace movements, many of which have expressed hopes for the emergence of similar movements in eastern Europe.

The timing of the creation of the new movement might induce the Soviet authorities to approach its activities cautiously. It closely follows the decision of the Soviet Government to start talks about strategic arms reduction with the U.S. in Geneva.

## Sweden orders £2.4bn combat aircraft

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE SWEDISH parliament voted yesterday to spend SKr 25.7bn (£2.43bn) on a new multi-purpose combat aircraft for the Swedish air force. The order for 140 aircraft, to be delivered in the 1990s, goes to a consortium of Swedish companies led by Saab-Scania, the truck, car and aerospace group.

The contract means that Sweden will be one of the few countries to maintain the capacity to design and produce its own aircraft. An alternative plan to build U.S. fighters under licence has been discarded.

However, the new aircraft, named the JAS, will contain a considerable proportion of components and systems bought abroad, including the F-404J engine from General Electric of the U.S., made largely from composite materials, it will be about half the weight of the Saab Viggen, which it will

purchase. The JAS was approved by a parliamentary majority of only five. The opposition Social Democrats voted to postpone the decision, saying that the cost analysis was inadequate and that further study was needed of the aircraft's performance, engine and wings.

Parliament has also allocated SKr 85m to defence over the next five years. Compensation for price increases will be added to that sum and to the cost of the new combat aircraft.

U.S. defence authorities have finally approved the sale to Sweden of the Sidewinder AIM-9L missile, the Swedish Defence Ministry confirmed yesterday. This latest version of the air-to-air missile will be used on Viggen interceptors.

Sweden had difficulty in obtaining U.S. consent to the

sale, allegedly because of Washington's anger at the sale to the Soviet Union—by the Swedish Electronics Company, Dataaab—of an airport control system which included American components banned by the U.S. for delivery to the USSR.

Michael Dome, Aerospace Correspondent, adds: The JAS fighter will be the first important combat aircraft launched in western Europe since the French Dassault-Breguet Mirage 4000 was started in 1975.

It will be built by a consortium set up for the task—the Industri Gruppen JAS, comprising Saab-Scania to make the airframe, Volvo Flygmotor the engine, and L.M. Ericsson, SRA Communications and FFV, all working on various aspects of the avionics and equipment systems.

Initial production will be of 30 aircraft. The Swedish Air Force requirement, however,

could amount to as many as 300 aircraft in all versions.

The JAS, will be cheaper and smaller than the Viggen, and will offer superior speed, rate of climb, manoeuvrability and weapons-carrying. Such improvements will be achieved by the extensive use of new technology materials—up to about 30 per cent—in the engine and the airframe, and new techniques such as fly-by-wire, the use of electrical signals rather than rods and lines, to control the aircraft.

The JAS is being designed specifically for Swedish defence—to use ordinary roads as bases and require simple and speedy maintenance.

Much of the design of the aircraft has been completed. A complete specification was prepared for approval by the Swedish Defence Materiel Administration this year.

## Switzerland hit by recession

THE SWISS economy is going through an increasing recession according to a report issued by the Swiss Association of Trade and Industry (Vorort). Business is expected to remain weak during the coming months. Any subsequent upswing would largely depend on an improvement in world markets.

Vorort says the situation has deteriorated in the past months in the country's important export sector, which is suffering from an increasingly narrow profit margin. The volume of new orders has either stagnated or fallen off.

At the same time international competition has become tougher, and Swiss suppliers have been particularly hit by the relative weakness of the German mark.

Within Switzerland itself, demand for building and civil engineering construction has fallen off in recent months. While retail sales volumes are said to be quite favourable, there is increasing competition from foreign goods. Tourism is expecting a slowdown in demand though other branches of the service sector are "confident," according to the Vorort report.

Simultaneously, the association of the Swiss import and wholesale trade (VSIIG) states that business in general fell off in the first quarter of 1982. Only some 30 per cent of all companies questioned in its latest survey experienced a rise in sales volumes over the corresponding period of last year. No more than 4 per cent of the sample expected the economy to improve by the end of this year.

## Dutch flood barrier worry

RISING COSTS are threatening to swamp the Netherlands' ambitious storm surge barrier project two years before its completion. The project, designed to safeguard large parts of the south west of the country from tidal floods, was originally supposed to cost \$3bn, but \$4.2bn has been spent so far and the total could climb to \$7bn before the barrier is finished.

Two Christian Democrat MPs have complained of the cost and have won the approval of Par-

liament for an enquiry by the National Court of Auditors. It is extremely unlikely that work will be halted on the project, but Ministers may look for ways of saving money.

The Oosterschelde Barrier was conceived in 1953 after disastrous floods in which 150,000 hectares of land were submerged and 1,800 people died. Discussion on the best means of carrying out the plan went on for years, however, and it was not until 1973 that work began.

## Police end fight at Paris car factory

BY TERRY DODSWORTH IN PARIS

FRENCH police intervened yesterday in a violent labour dispute at the Talbot car factory's Poissy plant near Paris, following an outbreak of hand-to-hand fighting which had led to 41 injuries.

The conflict, between bitterly opposed group of strikers and non-strikers, came only days after the settlement of a similar dispute at Citroën's Paris-based car factories. It led yesterday to a demand by the Socialist Party for an investigation into labour practices at Talbot, one of Citroën's fellow companies in the Peugeot group.

As in the costly five-week Citroën strike and a previous

dispute at Renault, the Talbot plant has a high percentage of immigrant workers, many of whom have joined demands for improved wages and better working conditions.

The violence broke out after a call for a sit-in from the Communist-led CGT union and the Socialist-oriented CFDT.

Although those two organisations were in a minority in the last union elections at the plant, they managed to stop work in the car assembly section, which produces the Samba and Horizon models. At that point, a rival movement, led by members of the management and involving the company-backed CSL

union, invaded the factory and met strong resistance.

Commenting on the police action yesterday, M Gaston Defferre, Minister of the Interior, said he had decided on a "friendly evacuation" of the plant in accordance with a court order.

That move was accompanied by Government bids to bring the management and unions together under the guidance of a senior official of the Labour Ministry. M Defferre insisted that the conciliation would be more effective in a calmer atmosphere outside the factory.

The previous Citroën dispute,

settled only after unions and management had accepted arbitration by a Government-appointed conciliator, resulted in wage increases of about 10 per cent for production-line workers, and increased union rights, particularly for immigrants.

Wages in the Peugeot group are generally lower than those at the rival, nationalised Renault motor company—even comparing similar factories in the Paris area. One of the long-held objectives of unions in the region's Citroën and Talbot plants has been to increase salaries to Renault levels.

## Seamen's hotel to be closed

KINGSTON HOUSE the headquarters hotel of the Mersey Mission to Seamen, on the Liverpool Waterfront is to close at the end of the month due to the shipping recession and inflation.

Many of the 62 bedrooms in the 10-storey hotel, which opened in 1964, have remained empty or underused in recent years. The building, which occupies a prime site, will be put up for sale.

The adjoining four-storey club house will remain open until October, when it is hoped to move into the nearby premises of the Merchant Navy Establishment.

## Polish plan to cover cost of grain and farm imports

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S GOVERNMENT is hoping that earnings from exports of agricultural goods will be high enough by 1985 to pay for imports of grain and other farm products.

Polish grain production is due to rise by 5m tonnes by 1985 and a further 2m tonnes by 1990, according to plans unveiled this week.

Meat exports are planned to reach 300,000 tonnes by 1985, compared with about 100,000 tonnes last year.

The Ministry of Agriculture is expecting this year's grain harvest to reach 20m tonnes—an average crop—while the amount of imported grain already ordered and financed for the 1982/83 agricultural year stands at 2.5m tonnes.

The authorities, who want to import another 1.5m tonnes in the coming year have still to decide how to finance the purchase.

Thus grain imports in the coming year are likely to reach 4m tonnes, compared with 6.6m tonnes in the harvest year ending this summer, and 8m to 9m tonnes in the late 1980s.

The cut in grain imports comes after the freeze on credits by, among others, the United States—a major grain supplier in the past—and the chronic shortage of cash this year.

In order to make up for the grain import shortfall the Government hopes to buy a crucial 5m tonnes from the country's private farmers. This is an ambitious target when compared with the less than 2m tonnes sold by the farmers to the state this year.

According to official estimates, meat production will fall by 10 per cent next year if grain imports reach 4m tonnes, enough to maintain this year's meat ration levels.

## Italian severance pay referendum called off

BY JAMES BUXTON IN ROME

ITALY'S Supreme Court has finally called off a referendum scheduled for next Sunday which, if it had gone ahead, would almost certainly have seriously damaged the economy. Voters were to have been asked to approve the resumption of a form of index-linking to severance payments to workers who leave their jobs.

Since 1977, workers have not been paid severance payments in respect of earnings they obtained under the scale mobile wage indexation system. The small far-left party, Democrazia Proletaria, which is not represented in Parliament, had succeeded in obtaining judicial approval for a referendum on a return to the pre-1977 position.

The referendum was likely to have been approved, but

would have added 10 per cent to the wage costs of Italy's already beleaguered companies.

In view of this danger, Sig Giovanni Spadolini, the Prime Minister, obtained grudging approval from employers and unions for a law which while restoring a degree of indexation, phased over a long period, was calculated to obviate the need for a referendum.

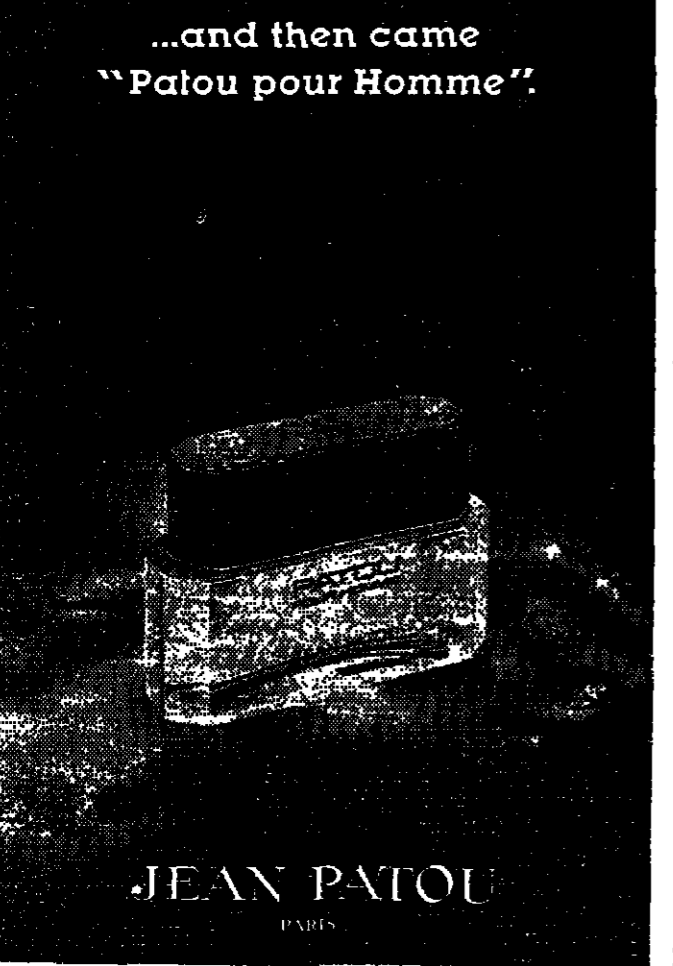
These proposals had to be pushed through Parliament by linking them to votes of the confidence in the Government as a whole. Even so, the measure passed with virtually no time to spare before the referendum, and then had to be submitted for Supreme Court approval. That was unanimously given late on Thursday.

The referendum is still expected to have cost £200bn (£111m) in preparatory expenses.

## Scottish Junior Chamber award

SAM SINCLAIR, 35, of Aberdeen Junior Chamber has won the 1982 Bank of Scotland Junior Chamber Award. Mr Sinclair is a member of the Grampian Police Force.

The Bank of Scotland Award is the highest individual prize in the Junior Chamber Scotland calendar.



JEAN PATOU PARIS

## NATIONAL EFFICIENCY PERPLEXES JAMES BUCHAN IN BONN

### Skipped beats in iron rhythm of W. German life

THE WEST GERMANS, as anyone knows, are the most industrious nation in Europe, with rates of productivity that astound their neighbours, a large trade surplus and a strengthening currency.

Those who hold these truths to be self-evident should, perhaps, attempt to contact a Bonn Government official on a Friday afternoon or for much of the summer school holiday. For a nation that is said to work so hard, the West Germans are remarkably discreet about it.

Take the shopkeepers, backbone of this, as much as of any other nation. The West German merchant opens his shop at 9.00 am and closes it, punctually, at 6.30 pm. On Saturday, he keeps his door open until 12.30 pm but, dizzy with thoughts of home, wife and children, and swabbing things to a truly German state of cleanliness, he is unlikely

to provide much assistance after 11.00 am.

On Sunday, the centres of West German towns are quite desolate as if some terrible enhanced radiation weapon had struck and left the fountains playing, the plane trees waving, the shop windows displaying this year's Düsseldorf fashions, but vapourised buyer and seller.

Other countries have shorter official opening hours, such as Italy, but the Italians do not distinguish leisure from mild economic activity and do not obey their laws. In West Germany, the shops closing law of 1956 is adamant and any merchant who stays open beyond 6.30 pm will be sued by his colleagues for unfair competition or by his employees for cruelty.

A nice thing about the town of Stuttgart, home of the reasonable Regel, is a small

passageway leading to the station with shops which stay open until 10.00 pm. The passage, which is underground, was exempted by the City Fathers on the grounds that people buying things would prevent it becoming a slum, a danger to citizens or a refuge for young people and other undesirables.

A Berlin court has just ruled that Stuttgart's action was illegal and that the shops will have to close along with everybody else. Meanwhile, the DAG, the union representing shop assistants, is lobbying hard to have the so-called "long Saturday," a full day's shopping on the first Saturday of the month, abolished.

Many shopkeepers, and all customers, would like to see the law relaxed and the Free Democrat Party in the ruling coalition has taken up arms on their behalf. There is little prospect

of relief unless it be of the rather limited kind offered by Herr Horst Hoffman, a Duesseldorf grocer, who turns his shop into a pub on the dot of 6.30 pm.

The majority of West Germans can scratch together an existence of sorts between work and home, but any person who is slightly out of time with the iron rhythms of German life, who has failed to marry at the right season or whose spouse works, or who rises late and stays at work beyond the witching hour, must starve or steal or scrounge.

This principle rules in every department of West German life. A citizen who, for example, wishes to have Cillas sing at him, not at rare and well-signposted intervals of the daytime but when he will, even during the midday pause, will become an outlaw, loathed and feared by his neighbours, unserious at best, at worst a

foreigner.

But back to work. Over 90 per cent of West German workers put in a 40-hour week or less but, if this seems normal, over 91 per cent are given more than four weeks' holiday; half of them have five weeks or more.

The Federal Republic disgorges more of its citizens abroad, for fun than any other country to the extent that foreign travel has become a mania. On the rocks of Capri, or the beaches of Sri Lanka, or the crowds of West Germany gather, a few of them clothed.

So, when is all this work done? The answer is that the West Germans must work more efficiently and economically than their bumbling European neighbours. To answer why that is, well, that would be truly to have understood this perplexing race.

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OVERSEAS NEWS

Increase in U.S. unemployed to post-war record

By Anatole Kaletsky in Washington

UNEMPLOYMENT in the U.S. rose to a post-war record of 9.5 per cent in May from 9.3 per cent in April, the Labour Department reported yesterday.

One out of two black teenagers is unemployed on average throughout the country, while many industrial regions are facing acute problems.

Fed takes no steps to support dollar

By David Lascelles in New York

THE U.S. has taken no steps either to support or defend the dollar since the assassination attempt against President Ronald Reagan in March 1981.

This confirmation that the U.S. is sticking to its central policy of non-intervention in the foreign exchange market came as Western leaders meeting in Versailles were expected to press Mr Reagan on the subject.

The New York Fed, which implements foreign exchange policy on behalf of the U.S. Treasury, said in its latest quarterly briefing that it had stood by in emergencies to calm the market, but had never had to act since the assassination attempt.

One standby emergency cited by Mr Sam Y. Cross, senior vice-president in charge of the bank's foreign group, was the imposition of martial law in Poland last December.

ANC bombs intensify sabotage in S. Africa

By Our Johannesburg Correspondent

A WAVE of sabotage in South Africa intensified yesterday when a large bomb exploded in the new block of office buildings which houses the President's Council in Cape Town.

Meanwhile, the social problems created by unemployment are continuing to grow. Unemployment among blacks rose by 0.3 per cent to 18.7 per cent in May, and a record 49.3 per cent of blacks between the ages of 16 and 19 are now jobless.

Richard Mackie in Ottawa writes: The unemployment level in Canada reached a post-depression high of 10.2 per cent in May—up from 9.8 per cent in April—with a record 1,241,000 people looking for work.

THE U.S. has taken no steps either to support or defend the dollar since the assassination attempt against President Ronald Reagan in March 1981.

Angola link to Namibia independence

By J. D. F. Jones in Johannesburg

A DIRECT link between South African withdrawal from Namibia (South-West Africa) and the departure of the 15,000 to 20,000 Cuban troops from Angola has re-emerged as the most delicate element in the marathon negotiations for Namibian independence.

A package of settlement has been worked out by the western contact group of countries and will be unveiled soon.

The critical state of the negotiations was confirmed by a Mr P. W. Botha, the South African Prime Minister, in response to a demand by Mr Dirk Mudge, the chief minister in Namibia for an election in March 1983.

Mr Botha said South Africa was closer to an understanding with the contact group than ever before, and reiterated that South Africa would not stand in the way of Namibian independence.

The money was needed after declining oil production and a soaring trade deficit had reduced the reserves to \$1.4bn—less than one month's import cover—at the end of March.

THE U.S. has taken no steps either to support or defend the dollar since the assassination attempt against President Ronald Reagan in March 1981.

standing with the contact group than ever before, and reiterated that South Africa would not stand in the way of Namibian independence.

The South Africans have been signalling in recent weeks that they no longer see difficulty in what the diplomats call "phase two" of the settlement negotiations.

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problems, because of South African doubt about UN impartiality.

But the South African cabinet appears to have decided to go through with the procedures towards independence, while Swapo has rejected the western proposal for a split-vote electoral system.

The statements by Mr Botha and Mr Mudge, therefore, seem to be part of a campaign either to force Swapo to re-enter the diplomatic process positively, or to secure international support for an election, which would leave Swapo in the self-imposed cold.

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Mr Botha... Cuba concern

Nigeria draws from IMF to boost reserves

By Quentin Peel, Africa Editor

NIGERIA HAS drawn more than \$740m (£411m) in special drawing rights (SDRs) from the International Monetary Fund to support its foreign reserves.

THE U.S. has taken no steps either to support or defend the dollar since the assassination attempt against President Ronald Reagan in March 1981.

The Nigerian Government is also understood to have successfully completed negotiations in excise duties, and a review of import licences—Nigeria's monthly average import bill was \$1.8bn.

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The money was needed after declining oil production and a soaring trade deficit had reduced the reserves to \$1.4bn—less than one month's import cover—at the end of March.

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Until President Shagari announced his import curbs—including the imposition of large import deposits, increases in excise duties, and a review of import licences—Nigeria's monthly average import bill was \$1.8bn.

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Peking to tackle provinces' 'chaotic' foreign trade

By Tony Walker in Peking

CHINA IS establishing a new regulatory organisation under the Ministry of Foreign Trade in an effort to impose order on "chaotic" dealings by provinces in foreign trade items, according to a British businessman.

Mr Jack Perry, chairman of the London Export Corporation (LEC), a private trading group, said that in the case of some commodities, "complete anarchy" prevailed on the world market because of lack of central government control over their marketing.

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withholding of raw materials from the state, the use of unorthodox business channels (thereby encouraging corruption) and promises of supplies which could not be met.

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ports, and control the establishment of representative offices in China by foreign companies.

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Mr Perry said the new restrictions would not mean that China was to abandon policies of trade decentralisation, but that the small percentage of foreign trade conducted at provincial level would come under close central Government supervision.

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Those to cost between \$10m and \$100m would be given priority. It was most unlikely that China would sign further contracts for whole plant and equipment.

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Egyptian effort to revive talks on autonomy

By Anthony McDermott in Cairo

THE NEED to breathe new life into the talks on autonomy for the Palestinians in the West Bank and Gaza Strip and the problems created by the Iran-Iraq war are two of the main topics mentioned in a letter to be delivered by Mr Kamal Hassan Ali, the Egyptian Foreign Minister, to President Ronald Reagan in Washington on June 12.

According to the semi-official daily, al-Ahram yesterday, Egypt is keen to start by holding bilateral talks on autonomy with Israel and the U.S. at ministerial level. These would be in preparation for a summit meeting—either bilateral between Egypt and Israel, or with the U.S. as well.

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One-party state move

The Kenyan Government

yesterday published a Bill proposing to make the country constitutionally a one-party state under the ruling Kenya African National Union (KANU), already the only party in existence, Reuter reports from Nairobi.

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Step to democracy

Uruguay's council of state

yesterday due to complete approval of a statute to legalise political parties as a first step towards restoring democracy in 1984, said Sr Nestor Bolentín, a council member, Reuter reports from Montevideo.

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Britain to aid Buenos Aires via UN

By David Tonge

BRITAIN reluctantly agreed yesterday to make a contribution of up to \$1m to Argentina over the next few years for its development. The money represents Britain's share of a \$20m credit proposed by the United Nations Development Programme (UNDP).

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Vulcan was searching for enemy ships

The RAF Vulcan bomber

forced to land at a Brazilian airbase was engaged in radar reconnaissance patrols searching for Argentine ships, it was disclosed in Whitehall yesterday.

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Soviet 'help' with radar

NEW YORK—Soviet radar

technicians are helping Argentina coordinate its air base radar systems into a nationwide network, the New York Times reported yesterday.

THE FALKLANDS CRISIS

Argentina moves closer to non-aligned bloc

By Andrew Whitley

ARGENTINA HAS signalled a long-term shift in its traditional foreign policy orientation, away from the United States in favour of the left-wing dominated Non-Aligned Movement, as a result of the Falklands crisis.

The shift, fearfully anticipated by the U.S. and neighbours such as Brazil and Chile, was publicly declared yesterday at a meeting in Havana of Foreign Ministers from the non-aligned bloc.

Sr Nicenor Costa Mendez, the Argentine Foreign Minister,

launched an unexpectedly hostile attack on the U.S. and Western allies such as Israel and South Africa, denouncing the policies of "colonialist and imperialist powers" as "illegitimate and unjust."

Until this April, Argentina had been regarded as one of the most pro-Western of all developing countries. The six-month-old Galtieri Government in particular had built exceptionally close ties with Washington, to the extent of being prepared to provide anti-guerrilla assistance to the right-wing

régime in El Salvador. In his speech to the Havana conference yesterday, Sr Costa Mendez, himself an ardent nationalist of known right-wing views, gave Argentina's support to the successful "liberation struggles" waged by Vietnam and Cuba against U.S. influence.

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after the invasion of the Falkland Islands. But, as the British military successes have gained strength, so opinion has swung more in favour of Buenos Aires.

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than 20 other members of the Commonwealth, is pressing for an alternative resolution calling on Argentina to abide by UN Security Council resolution 502, which requires a withdrawal of Argentine troops from the islands.

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Opposition presses junta for economic re-direction

By Jimmy Burns in Buenos Aires

ARGENTINA'S OPPOSITION is showing increasing signs of trading its continuing "patriotic" support for the junta in the Falklands conflict for major political concessions, in particular the replacement of the Government's free market policies by a State-controlled economic programme.

Sr Bernardo Grinspín, a former director of the Central

Bank during the radical governments of Sr Arturo Illia (1963-1966), yesterday called for a "complete change of the economic system," and the sacking of the Government's economic team, led by Sr Roberto Alemann.

In a separate interview with the English language Buenos Aires Herald, Sr Jorge Domínguez, an economic adviser to the Peronist party, accused

Sr Alemann of seriously underestimating the economic problems facing the country. He demanded that the State take immediate charge of overall investment as part of a "war economy."

Further signs of the growing nationalist mood came in a strong verbal attack by unions on the Bank of London and South America (Bolsa), the local operation of Lloyds Bank International.

Leaders of the major unions in the Peronist controlled General Confederation of Labour (CGT), sent a note yesterday to President Leopoldo Galtieri asking for an official investigation into a report that Bolsa had recently been receiving loans from the Central Bank.

This puts at serious risk our national unity in the anti-colonialist fight being conducted by the armed forces and people

in defence of our sovereignty," the unions said.

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several leading members are believed to have raised the possibility of the Government agreeing to a social contract.

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But it was decided yesterday to go ahead with the project. No vote was taken.

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British officials said later that they would have voted against the credit for Argentina, but that the rules of UNDP meant that they could only delay the credit by a week.

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Battle for Stanley begins with attack on Argentine defences

THE FOLLOWING is a pooled dispatch from Ian Bruce of the Glasgow Herald.

The last act in the battle for the Falklands opened on Thursday night as troops of the task force moved forward to attack the outer rings of Argentine defences around Stanley.

Troops were raked forward in waves of Sea King helicopters to the jump-off point for an assault on a hill which dominates the capital.

I have been with the same unit since it landed at Ajax Bay on the west coast, days ago. Since then it has completed an epic hike across an area the size of Wales in weather conditions which have ranged from

soaking rain to Antarctic snow showers.

Our landing zone last night was only 12 miles from Stanley, just within range of artillery batteries placed in a tight defensive arc around the town. More than 7,000 Argentine troops are packed into the area.

Troops and specialist detachments are in position on Mount Kent, described by senior officers as the Monte Cassino of the mountain chain protecting the capital.

At dawn we had attended a final briefing in a corrugated iron shed under the eerie glow of a single naked light bulb. The commanding officer told us: "The mission is to harass and probe enemy positions until we

know his exact strength and whereabouts. I am not going to blunder into a hornet's nest for lack of preparation.

"When we are sure, we will go forward and take out those positions. The men will move into action in the basic fighting order, carrying bullets, beans and water. Packs will follow later." He added: "Be prepared for enemy artillery bombardment. I want no futile and useless casualties. Let us finish the last lap with style."

The following pooled dispatch was sent two days ago as troops moved towards Port Stanley by Patrick Bishop of The Observer.

Last week I joined a commando unit at the task force's

most advanced position only five miles from the main Argentine garrison.

We left two hours after nightfall from Port San Carlos in a relay of Sea King helicopters carrying troops and supplies, threading east along the valleys to avoid attracting fire from any enemy ground patrols.

Our first destination was the commandos' HQ position on the slopes of Mount Kent. It had been taken without a fight two nights before.

The Marines were dug in around a rocky outcrop to give them protection from Argentine artillery at Port Stanley, seven miles away, which had

been shelling the area haphazardly earlier in the day, and from air attacks which had so far failed to materialise.

The morning was warm by Falklands standards—about three degrees above freezing. But cloud had descended and there was a dense drizzle.

A group of SAS, mounted and long haired, like extras from a Sam Peckinpah western, were less cheerful than the Marines. "Every time we get near an Argy patrol they leg it," complained one of them. "We ran into one of the other night though—took two, wounded two, killed three."

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Unlike the rest of the military, who talk about "zapping," "taking out," and "blowing away" the enemy, the SAS prefers the direct term.

The Argentine troops who occupied Mount Kent and the surrounding high ground melted back to Port Stanley at the noise of the first helicopter. When the commandos arrived, they found mounds of abandoned equipment.

The commandos had moved straight to the top of the mountain. Across the valley to the north Paras and Marines had taken control of the high ground. Only the south remained to be captured to seal off Port Stanley completely.

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UK NEWS

LABOUR

Row likely over choice of subsidised computers for GPs surgeries

By Jason Crisp

A ROW is brewing over Government plans to subsidise computers in a number of doctors' surgeries as part of Information Technology year (IT82).

The Department of Industry says it had to limit the firms to two so that the results of computerising different types of general practices could be compared.

companies could have adapted their systems to run on British-made computers. If they were eligible for a 50 per cent subsidy.

The association complains that the Government is helping the two largest companies which are least in need of help.

Dr John Dawson, head of the scientific and ethical division at the British Medical Association and secretary of the IT 82 health committee, strongly backs the DoI decision.

The Government did not consult it, the British Computer Society's Primary Care Specialist Group nor the Joint Computer Policy Committee set up by the BMA and RCGP.

BR keeps rail workshops going to avoid dispute

By Philip Bassett, Labour Correspondent

BRITISH RAIL yesterday moved to circumvent industrial action by its largest union by deferring the closure of its railway engineering workshops and the rundown of a third.

industrial action. BR at this stage cannot afford to lose the support of the union over the vexed issue of flexible rostering.

Government may get tougher with councils

By Robin Pauley

A VEILED warning that local authorities in England and Wales face a very tough rate support grant settlement for 1983-84 was given by Mr Tom King, Local Government Minister yesterday.

He told the Chartered Institute of Public Finance and Accountancy conference in Harrogate it would be a grave mistake to imagine that the Government, having failed to reduce council spending, had decided to let local authorities off the hook.

A series of Government initiatives to influence council spending had cut expenditure by only 0.5 per cent in three years and council manpower had fallen by only 4 per cent in the same period.

Both expenditure and manpower had been at record levels three years ago, "so I cannot award myself or local government very high marks for achievement," Mr King said.

Local authority budgets showed spending plans for 1982-83 to be £1.4bn above Government targets in spite of an upward revision of £30m to those targets which the Government conceded last autumn.

In the next RSG settlement, the Government would maintain its efforts to achieve economies and would continue trying to protect low spenders from penalties.

The block grant mechanism would be used to influence levels of spending and the Government would "continue to be interested in the level of Exchequer grant."

Mr King refused to explain these comments further, but the Government is now known to feel that cutting its contribution to council spending is the most effective way to reduce expenditure.

Sharper grant reductions for councils exceeding Government spending targets and a heavily reduced level of overall grant from the government now look increasingly likely.

Mr King said the Government must retain overall control of total public expenditure, and within that policy it must try to influence, but not control, local government spending.

Local government represented 6.5 per cent of gross domestic product, employed 3m people and consumed 25 per cent of total public expenditure.

Rates affected the retail price index and the overall burden of taxation in the economy. Local authority pay could have a crucial knock-on effect.

No Government could, therefore, ignore local government expenditure.

SNP chairman threatens to resign

By Mark Meredith, Scottish Correspondent

THE Scottish National Party was plunged into crisis yesterday as Mr Gordon Wilson, the MP for Dundee East, threatened to resign as chairman unless factions were purged from the party.

A group of left-wingers walked out to cheers and jeers at the SNP annual conference in Ayr when Mr Wilson tabled a motion, to be voted on today, to ban all organised groups within the party.

And last night Mr Ron Wyllie, the party's candidate for the June 24, Coatbridge and Airdrie by-election, and a member of the left-wing 79 Group, threatened to withdraw from the poll if he failed to win conference approval in another vote today.

Today's vote could lead to many socialist orientated SNP supporters leaving the party, and last night the 79 Group showed every sign of fighting today's vote.

Mr Wilson said: "I put my position on the line for something I believe is necessary. This is intended to cleanse the party of factionalism. The worse of all possible solutions would be to allow anarchy to continue."

The SNP could end up exactly in the same position as the Labour Party in terms of internal division, he said.

The nationalists have only two MPs in Westminster and had a poor showing in the May regional elections—they collected only 13.4 per cent of the vote. The party faces a severe identity crisis.

The 79 Group grew up three years ago to infuse new life into the party by driving at

Labour's solid Scottish vote. Its influence saw the party taking an active role in industrial disputes and the campaign against nuclear weapons.

On Thursday, left and centre factions of the party tangled in a vicious fringe meeting which party officials said had further damaged the party's image.

The issue was brought to a head with the formation of the Campaign for Scottish Nationalism by Mrs Winifred Ewing, an MEP and other party moderates.

The bitter row inside the nationalist movement in Scotland has done a great deal of damage, puzzling if not angering many of the party faithful.

Mr Wilson said he was reluctant to inject the move against factionalism into his main address, which was chiefly intended to rally nationalists be-

hind an attack on the Government.

He said Mrs Thatcher and Mr John Nott, the Defence Secretary, had blood on their hands because they had failed to act in time over the Falklands.

"It would be immoral for Mrs Thatcher to be sustained in office as a result of the sacrifice of the armed forces and merchant seamen. It was her failure as a Prime Minister to take pre-emptive action which could have forestalled invasion and saved hundreds of lives," he said.

Mr Wilson dismissed the other opposition parties in Scotland. Labour had become the party that could not win, he said, and the Social Democrats had done a "belly flop," gaining fewer councillors in the regional elections than the nationalists had at their lowest ebb.

By-election was bad news for all parties

By Margaret Van Hattem, Political Staff

THE RESULT of Thursday's by-election in Merton, Mitcham and Morden brings little comfort to any of the three major parties.

Indeed, many agree with Mr Roy Jenkins' comment on the 48.75 per cent turnout that the electorate had gone to sleep—though they might have been more tactful than to say it.

Mrs Angela Rumbold, for one, saw the Conservative vote drop to 13,908 from 21,050 in May, 1979. Consequently, her claim to have taken votes from both Labour and the Social Democrats looks a little thin and she may have her work cut out to hold the seat at the next general election.

Mr Bruce Douglas-Mann, whose gamble in re-presenting himself to his constituents after

his defection from Labour to the SDP was torpedoed by the Falklands crisis, has already indicated that he will be mustering his forces for an onslaught on his former stronghold at the next election.

Given more favourable circumstances, he might succeed. He was known in the constituency as a conscientious and effective MP.

As the means, however, his well intentioned gesture will cause acute embarrassment to the remaining 28 SDP MPs, 25 of whom won their seats as Labour candidates. They can look forward to a barrage of calls to resign and Labour accusations of "sailing under false colours" for some time.

The real disaster, however, was for the Labour Party whose

candidate, Mr David Nicholas, held barely a third of the 1979 Labour vote. It was, party officials conceded yesterday, just about as bad a result as was possible.

The seat ought to have been within Labour's grasp and, given the extremely low poll, the party cannot credibly claim to have been swept aside by an overwhelming wave of support for the Government in time of trouble.

Many Labour MPs at Westminster are hoping that, after being pushed into third place in five successive by-elections, the party may finally be shocked into accepting some form of discipline.

Thursday's result only underlines something that has been plain for a long time, and that

the party has consistently refused to face. It is, that economic decline, unemployment and latterly the Falklands crisis have polarised the party and that in straining to reconcile the increasingly middle-class left and the traditional working-class right, it is in danger of collapse.

For those who hope to see drastic action to pull the party together, the timing of the by-election in Coatbridge and Airdrie later this month could not be more unfortunate.

Labour held it in 1979 with a 33.4 per cent majority and appears in little danger of losing it. A win now, albeit in one of the safest Labour seats in the country, could provide yet another excuse for failing to confront uncomfortable truths.

De Lorean supports UK rescue consortium

By John Griffiths

THE PROSPECTS of a rescue for the De Lorean sports car concern in Belfast improved considerably yesterday.

Mr John De Lorean has provided written assurances to Sir Kenneth Cork, the joint receiver, on a number of points concerning his separate U.S. sales company which a UK-based consortium of potential investors wanted cleared up before it was prepared to proceed.

The effective outcome of Mr De Lorean's New York meeting with Sir Kenneth is

More UK news Page 17

that Mr De Lorean has finally accepted that his own efforts to rescue Belfast have failed, and that he is now supporting the UK consortium's proposals.

The way has now been cleared for the consortium to make arrangements with the City financial institutions from which the funds for the rescue would come.

The consortium remains unidentified, but Sir Kenneth repeated yesterday that they are individuals from British companies. There has been some speculation that the Renault-Peugeot-Volvo joint company which provides the De Lorean engines was behind the rescue attempt.

220 jobs to go at Kent paper mill

REED INTERNATIONAL is closing two of its four paper machines at Tovil Paper Mill in Kent—the place where in the 1890s Albert E. Reed began the operation which formed the basis of the present company.

The closure decision, by the Reed Paper and Board (UK) subsidiary, followed seven-figure losses at Tovil. About 220 people will lose their jobs, leaving a workforce of 150.

The closure follows confirmation of the shutdown of Reed's Crown Wallpaper factory at Bredbury, near Manchester, which employs some 300 people.

The Tovil Paper Mill's present capacity is 42,000 tonnes a year of copaper, creped kraft, creped towelling, straw-paper and other packaging products.

Closure talks at animal foods plant

RHM Agriculture North West was yesterday negotiating with unions about the closure of its Birkhead animal foods mill, with the loss of 105 jobs. It also plans to cut the workforce at its Wrexham administrative plant from 35 to five.

Liverpool leisure complex opposed

LIVERPOOL CORPORATION planning officers are advising the city council to reject a £23m shopping and leisure complex in the city's waterfront. The council is being urged to fear extra traffic could damage hard-hit city stores.

Victorian Falklands document auctioned

A MANUSCRIPT warrant carrying the Great Seal from Queen Victoria, appointing Thomas Moore, "Our Governor and Commander-in-Chief in and over the Falkland Islands and in their Dependencies," sold for \$800 at Christie's South Kensington, yesterday. It was dated July 6 1856.

Gas workers win wage increase worth 9%

By John Lloyd, Labour Editor

THE COUNTRY'S 41,000 gas workers have been awarded a wage increase package of just over 9 per cent by the Advisory, Conciliation and Arbitration Service.

The award—which is binding on the gas unions and British Gas—brings them into line with other workers in the energy sector such as miners and electricity workers. It is to be accepted formally on Monday.

The arbitration award satisfied the unions' objections raised over a previous offer. These centred on the corporation's refusal to consolidate any element of bonus pay. The offer was also felt to discriminate against the non-bonus workers.

Under the terms of the arbitration, workers will receive a "bonus fallback rate" of 7 per cent and non-bonus workers, a payment of £2.50 a week—both to operate from next January.

The increase awarded on basic pay is between 7.5 and 8 per cent, with similar increases on bonus payments and a slightly higher increase on "special obligation" payments.

Holiday pay and payments for flexible shifts are also to go up. Officials of the General and Municipal Workers Union, the major union for gas supply, reckon the package to be worth 9 per cent a year, and a little over 9 per cent next year when the extra bonus payments come through.

Spreading the word on the cost of caring

THE BLACKENED pit-helmets and orange boiler-suits of 15 local miners presented an eye-catching boost to the nurses and ancillaries on picket duty outside Leicester Royal Infirmary yesterday.

It was a good day for the pickets. To claps and cheers they turned away the majority of non-emergency out patients.

The hospital administrator admitted that the 1,100-bed teaching-hospital, the biggest in Leicestershire, was reduced to weekend coverage.

The picture was similar at Leicestershire's two other hospitals where groups of miners were also giving up a day's holiday to show solidarity. Mr Jack Jones, Leicestershire's area general secretary of the National Union of Mineworkers said: "We rely on good hospital staff a lot in our business, and we know how hard they work because a lot of us have got wives and daughters in the health service."

Infirmary's 2,800 nurses. One National Union of Public Employees-member nurse, a local steward and sociology graduate of York University, however, said: "The Florence Nightingale attitude is deeply embedded even among nurses in Nupre and the Confederation of Health Service Employees."

She also said emergency-only cover was what hospitals seemed to operate on most of the time, so the industrial action did not have much impact. "It's really a day for spreading the word with the public." The public of Leicester, for its part, was presenting a mixed reaction.

Mr Nick Wright, local Nupre official, said his members suspected some consultants were reclassifying non-emergency cases in order to proceed with operations. If that happens things could get nasty," he said.

Mr Ralph Murray, the hospital administrator, was sticking to the 1978 Department of Health and Social Security guidelines and not paying strikers for the day. That fact, and the point that it was pay-day yesterday, may have helped to keep the number of striking nurses to a few dozen only.

Talking to a group of staff nurses at nursing-sisters in the accident and emergency-section, however, one found there was no doubt about their bitterness on pay.

The nurses ran through the facts on pay. Pre-tax basic, a state-enrolled nurse receives £4,008 to £4,835, a staff-nurse £4,450 to £5,426 and a nursing-sister £5,628 to £7,215. For the responsibilities of the job and the years of unrewarded training they think index-linking is the least they deserve.

Most nurses, however, still have real anxieties and doubts about industrial action.

So if Nupre's call for all-out strike action is accepted by the TUC health services committee on June 9 the union ranks could be split seriously. There were already signs of that in Leicester yesterday.

British team to visit China for talks on nuclear plant

By Lisa Wood

A HIGH-level delegation from Britain is to visit China next month to continue discussions on the feasibility of building a nuclear power station in Canton province.

Representatives invited by the Chinese Government include British Nuclear Fuels, GEC Turbine Generators, Department of Industry officials and British bankers.

The main protagonists for the project are China Light and Power, one of Hong Kong's two main electricity suppliers, and GEC, which could supply the turbines—hence the strong support from the British Government.

Shell pushes pump price of petrol to 169p

By Sue Cameron

SHELL—one of the two biggest petrol companies in the UK—last night followed the other major groups and increased its average pump prices from about 169p-161p a gallon to 169p.

The company warned that the prices of other oil products, such as fuel oil, which is used to power factories, gas oil, which is used mainly for heating, and jet fuel would go up soon.

Shell added that if the British National Oil Corporation's proposal to add \$2.50 a barrel to the price of North Sea tanker crude went ahead, it would need to raise its pump petrol prices further.

Shell expressed the hope that its new petrol prices would stick. It pointed out that the Rotterdam spot market price of petrol had risen to \$380 a tonne—equivalent to 175p a gallon at the pumps after tax and a dealer's margin had been added.

The higher price of spot petrol meant there was less chance of small, independent companies buying in Rotterdam and selling in the UK, at pump prices that would undercut those of the major oil groups, said Shell.

Non-accountants may join standards body

By Barry Riley

NON-ACCOUNTANTS may become members of the Accounting Standards Committee for the first time under detailed proposals for the reconstitution of the ASC. The plans are shortly to be presented for approval to the presidents of the six major UK accountancy organisations, which make up the Consultative Committee of Accountancy Bodies.

Among the major proposals are the following:

● A reduction in the size of the committee from 23 to 20 members.

● Up to five places may be made available to users of accounts who may not themselves be accountants.

● Two civil servants will be invited to attend ASC meetings as observers.

Shell pushes pump price of petrol to 169p

same competitive pressures. That the airlines and other businesses have to live with. They are not.

● Rolls-Royce has begun formal talks with Pratt and Whitney of the U.S. and the three Japanese aero-engine manufacturers on the possibility of setting up a major new consortium to develop an engine for the projected new generation of 150-seat airliners.

● Rolls-Royce will get a substantial share of the business from an order by Cathay Pacific Airways for a seventh Boeing 747-200B Jumbo jet, to be powered by RB-211-524D4 engines.

The deal is worth HK\$3400m (£38.8m), of which the engines will account for about one-third (including spares).

● Britain and Thailand have signed a civil aviation agreement that will allow increased operations by Thai International and British Airways.

Shell pushes pump price of petrol to 169p

Davidson, senior partner of the UK firm of Arthur Andersen, succeeds Mr Tom Waits of Price Waterhouse.

Many of the suggestions made in Mr Robert Sewing, Accounting Standards Committee Secretary, Mr Waits' report, published last year by the ASC, are embodied in the proposals.

But now the English Institute of Chartered Accountants has joined a built-in majority on the ASC with 12 seats out of 20.

Other bodies, such as the Spanish Institute and the Institute of Cost and Management Accountants, have had smaller representation in the past.

The new proposals would mean that in future no parent body would have a right to more than one representative.

Plea for inner city funds

By Lisa Wood

CRITERIA for the allocation of monies to the UK from the EEC's social and regional funds should be redefined to help the South-East and Midlands, according to a submission made yesterday by the Commission for Racial Equality.

In a paper presented to the EEC Commission for Social Affairs, the Commission argued that the allocation of monies under both the social and regional funds indirectly discriminates against multi-racial areas of the UK and hence

against Britain's ethnic minorities.

Restriction of funds to areas which have been traditionally regarded as depressed, such as Northern Ireland and North-East England, no longer fully reflects the pattern of unemployment in the UK. Funds should also be made available to those urban areas in the Midlands, North and Greater London which have seen increases in unemployment but which are outside the present assisted areas.

THE WEEK IN THE MARKETS

Ticking over, but so slowly...

Oil going spate

Wage 76

word caring

word caring

LONDON ONLOOKER

The markets, particularly in gilt-edged, remain strong. Trading volume has been very thin, but there is still no large-scale selling...

So long as military affairs continue to go well, there seems to be room for a drop in bank base rates. That expectation will itself keep the markets ticking over...

Breaking new ground

Mercantile House has grown rich by broking in the unstable foreign exchange markets of the last few years. Like other successful money brokers, however, it has begun to feel the need to protect itself against the threat of a decline in its basic business...

grouping of investment trusts already had interests in both Mercantile and Oppenheimer. In order to find the cash part of the purchase price Globe and Electra are to underwrite an offer for sale of Mercantile shares to raise £17m...

Globe/Electra will end up with something like 40 per cent of the enlarged company, after conversion of the new preference shares issued to Globe. It is a spicy sort of investment; Mercantile is setting out to run a very large business which will involve the group in more risk-taking on its own behalf...

Allied cheer

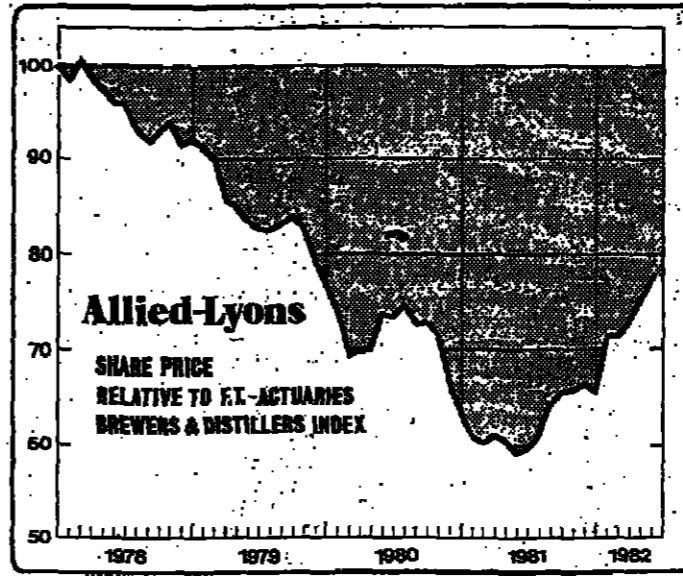
There must be a few broad smiles around at Allied House this week and not just because of the full year figures showing another good rise in profits. This is ideal weather for selling beer to the dads and ice-cream to the tots...

tax profits up from £85.1m to £124m stripped of property items—about £17m in both years. Needless to say UK beer volume was down. Allied's was probably off about 9 per cent for the year as a whole but trading profits still managed to climb from £65.4m to £73.8m...

Third World markets, and in Europe. The price seems to be fair, at this stage of the recession, although there is a lingering feeling that the parent company might have achieved a better price last year—when HME shares reached over 230p...

Harrisons' malaise

On Tuesday, Harrisons and Crossfield became the last big British-owned plantation company to agree terms for the Malaysianisation of its estates. When it accepted an effective price for shares in Harrisons...



Allied-Lyons SHARE PRICE RELATIVE TO FT-ACTUARIES BREWERS & DISTILLERS INDEX

Brewery brawlings

NEW YORK RICHARD LAMBERT

SHARE PRICES on Wall Street continue to drift in the wake of the credit markets, which have had another uneasy week. The uncertainty here is reflected in the marked reluctance of the big banks to follow Citibank's lead over a week ago in cutting its prime rate from 16.5 per cent to 16 per cent...

Although most people expect that a 16 per cent prime rate will eventually become widespread, it is easy to see why the banks are worried about the outlook for interest rates in the coming months. The fact is that the volume of marketable Treasury financing in the second half of this year is going to be huge by any standards...

Developments in consumer products should keep things moving meanwhile. An agreement to make and market "7-Up" in the UK—under licence from Philip Morris—will add some fizz to Beecham's attack on the rather stagnant soft drinks market. Heavy spending on Aquafresh in the U.S. has reversed its loss of market share—at a cost—and the toothpaste is now headed for Japan...

Not surprisingly, Beecham's shares continue to do well: since early 1980, Beecham has outperformed the All-Share index by almost 90 per cent. The steep slide in BP's first quarter net profits, announced on Thursday, to £91m from a comparable figure of £385m, did not unduly upset the market, with the shares falling 3p to 314p on the day...

The factor to be borne in mind is the distorting effect of the historic cost valuation of stocks. Sobio was again the big earner, turning in £110m net, but losses from BP's downstream operations continue to hold back progress. The company is now wielding the axe almost a third of its refining capacity will eventually have been closed.

Analyst Joseph Frazzano of Oppenheimer and Company (itself subject to an agreed bid from Britain's Mercantile House) has offered \$24 a share cash for Pabst Brewing, which is already subject to a hotly contested offer from C. Schmidt and Sons, and Pabst in turn has popped in a \$28 a share offer for 49 per cent of Olympia Brewing, as the first step in what it intends to be an outright takeover bid.

Analyst Peter Matus of Paine Webber Mitchell Hutchins has just slashed all his 1983 earnings estimates, and now expects that National, Bethlehem, Arco and U.S. Steel will join Inland and Republic in lowering their dividend payments by the autumn. Not surprisingly, most shares in the sector have fallen sharply for most of 1982, and now stand at or close to their low points for the year.

Table with 2 columns: Day (TUESDAY, WEDNESDAY, THURSDAY) and Value (814.97, 816.88, 816.50)

MARKET HIGHLIGHTS OF THE WEEK

Table with 4 columns: Index Name, Price, Change, 1982 High/Low. Includes F.T. Govt. Sec. Index, F.T. Ind. Ord. Index, Anderson Strathclyde, etc.

Thinking the unthinkable

MINING

GEORGE MILLING STANLEY

AFTER A Bank Holiday weekend of blue skies and glorious sunshine, the stock market returned to work on Tuesday and found itself facing up to the prospect of a sharp dose of harsh reality.

The skies did not actually darken over the City of London, but the share price of South Africa's biggest and most powerful mining company, Anglo American Corporation, closed 10 lower on the day at 400p, equal to the lowest level seen so far this year.

The reason was simple; investors and jobbers alike were thinking the unthinkable, and fearing a cut in the group's final dividend for the year to March 31.

There were grounds for these fears, of course, for had not Anglo's sister company, De Beers Consolidated Mines, shaken the market to its roots just a couple of months or so ago by halving its final dividend for 1981?

Granted that the diamond market had been exceptionally weak for a long time, but then so has gold: Anglo's mainstay, and it is Mr. Harry Oppenheimer, De Beers' chairman, could bite the bullet and disappoint his company's shareholders, there was reason to suspect that Mr. Harry Oppenheimer, chairman of Anglo, just might have something similar in mind.

In the event, all the fears proved to be without foundation. Anglo declared an unchanged final dividend of 75 cents (39p), making a same-again total for the year of 110 cents. The share price promptly rebounded upwards by 15p, and the next day gained a further 5p to 460p.

The shocker that had been overhanging the market lifted, and thoughts turned to other im-

portant matters, such as whether Golden Fleece really was going to win the Derby. There were sound commercial reasons for both decisions, as might be expected. De Beers had had a truly awful 12 months, with attributable profits down by about a quarter to R828.3m (£330m), the stated value of diamond stocks squaring to R1.4bn and the company, normally looked upon as the treasure chest of the Anglo group, actually having to borrow R200m from its sister organisation.

It emerged later that even this depressing picture did not constitute the whole reason for the dividend cut. The weakness of trading in the early part of this year played a large part in helping the directors to come to their unpalatable decision.

In contrast, Anglo's position looked much healthier. Profits at the pre-tax level were 16 per cent higher, in spite of the lower income from the De Beers dividend and the gold interests.

What caused the disparity between the twin giants of the South African mining scene? At the halfway stage, I suggested that alchemy might be at the bottom of Anglo's remarkably steady performance.

A touch of that old black magic had come to the rescue, as Anglo had started to treat Anglo American Coal Corporation (Amco) as a subsidiary rather than as an associate.

This was done at about the same time as gold and diamonds were losing their lustre, with the consequence that it was the worldwide upturn in demand for coal that kept the sparkle in Anglo's results.

Exactly the same happened with this week's full-year results. While no sectoral breakdown was provided with the preliminary figures, it must have been the coal interests which kept profits up, as just about everything else is firmly in the doldrums.

Unfortunately, the change in accounting treatment brings a couple of problems in its wake. The first of these is the fact that

Amcoal ranks for tax purposes as a trading rather than an investment company, and thus incurs a higher tax charge. This was instrumental in lifting Anglo's tax charge by almost three times to R102.4m.

Secondly, outside shareholders own almost half of the shares in Amcoal, so that the deduction in respect of minorities almost doubled to R104.7m. Thus at the all-important attributable level, from which dividends are paid, Anglo's profits were 11 per cent lower than in the previous year at R770m.

Nevertheless, the total dividend was more than three times covered by earnings of 341 cents a share, and Anglo remains a group with an enormous amount of financial muscle. This is reflected in investments, including those in associated companies, with a total market value of R4.8bn, and a net asset value per share of 2,040 cents.

At current exchange rates, this works out to well over £10 per share, against a London price of under £5.

Mr Oppenheimer can take pride in the fact that, in spite of the worst recession for many years, he will be handing over to his successors a group in robust financial health. The announcement that Mr Oppenheimer is to retire from the Anglo board at the end of this year was the other major news item of the week.

Harry Oppenheimer has been a director of the group, which was founded by his father, Sir Ernest, for 48 years, the last 25

of them as chairman. He will be 74 years old in October, and believes it is time to make a change.

However, he will still be in the limelight, as he intends to continue as chairman of De Beers. This represents something of a return to his first love, as Mr Oppenheimer has never made a secret of his fascination for the diamond business.

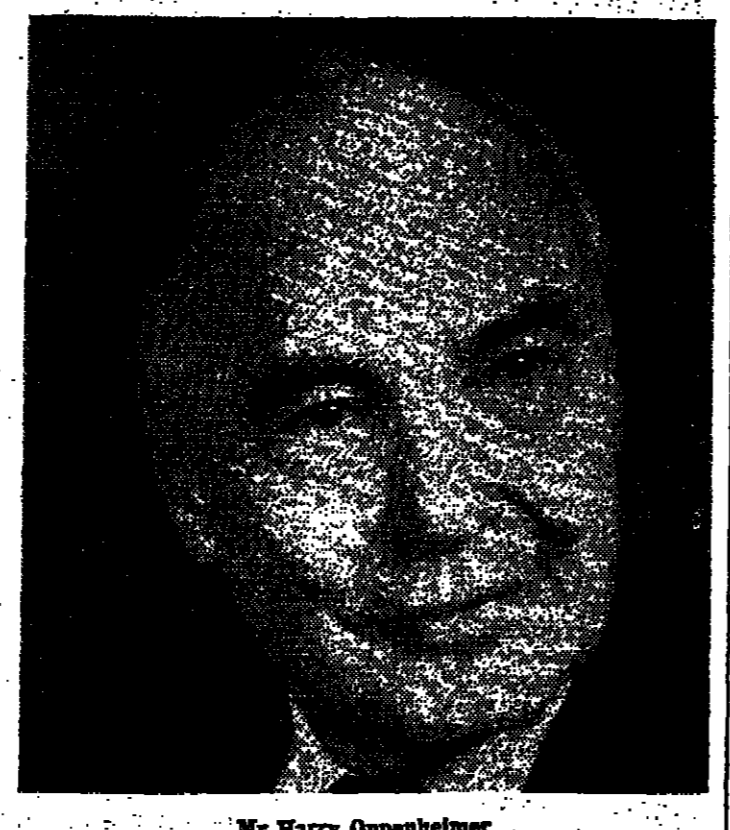
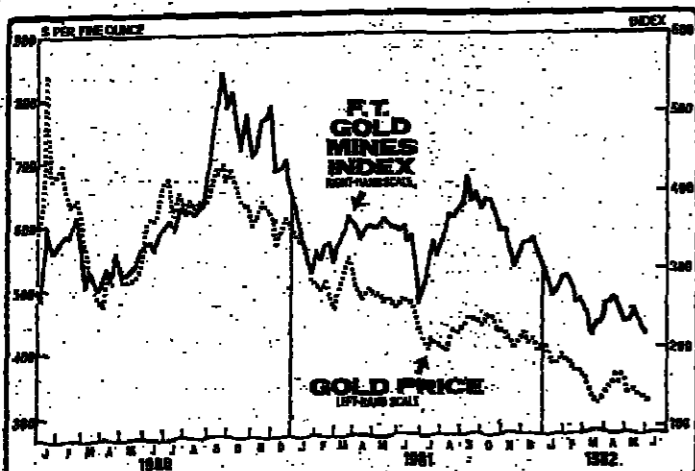
His decision to concentrate his attention on De Beers is also an indication of the serious nature of the problems facing the diamond industry worldwide. Mr Oppenheimer will not have much time for relaxation as he attempts to maintain stability in an increasingly precarious business.

To return briefly to gold, this week saw the South African mines' June dividend reporting season get off to a good start, with better than expected payments from two mines in the Gencor group.

Buffelfontein has declared a final dividend of 280 cents, making a total for the year to end-June of 540 cents. This compares with a total of 710 cents for the previous 12 months, when the average gold price was considerably higher.

Stifffontein has also done well with an interim of 100 cents, just 30 cents lower than the last half-time figure. Last year's total was 310 cents.

It came as no surprise that the struggling West Rand Consolidated, also in the Gencon group had decided not to pay an interim.



Mr. Harry Oppenheimer

BUILDING SOCIETY RATES

Table with 4 columns: Society Name, Deposit rate, Share accounts, Sub'n shares. Lists various building societies like Abbey National, Aid to Thrift, Alliance, Anglia, etc.

\* Rates normally variable in line with changes in ordinary share rates. All these rates are after basic rate tax liability has been settled on behalf of the investor.

# The rule for survival

BY OUR LEGAL STAFF

I have made a will leaving everything to my wife, and in case she predeceases me, to our two children aged 9 and 7 years. She has made a similar will in my favour. Could you please tell me what happens if all four of us die at the same time, for example, in a plane crash?

When two or more people die in circumstances in which it is uncertain which of them died first, the rule is that the younger is deemed to have survived the elder. A different rule applies between spouses where one or both die intestate, but that will not apply if you have both made valid wills.

within the tax limit. Gains on insurance bonds are chargeable to income tax, not capital gains tax (in straightforward situations).

When you surrender the bonds (or they mature), the tax bill will be subject to top-slicing, but it will take into account the partial surrenders. As you will see from the companies' literature, the tax liability on literal surrenders (up to the 5 per cent limit) is simply deferred; you do not escape tax permanently.

## Rates and an empty room

The local Borough Surveyor inspected a recently built extension to my house and required certain work to be carried out. In the meantime he has prohibited the use of the newly-constructed area for reasons of fire regulations. The builder is appealing against some of the work required to be done. As this process may take several months before a decision is reached, I wrote to the rates office requesting an "empty allowance," but received the reply that "... as occupation of part of the assessment is deemed to be occupation of the whole..." no allowance could be made.

Could you please advise what can be done and what recourse is there if he refuses to do so? Must I pay rates on a room that I am prohibited from using?

## No upsetting a title

In 1972, a house which was owned by my wife and self was subject to a building society mortgage and a second mortgage. The second mortgagee "sold" the property as a result of our default. Under the Building Societies Act, the sale was not properly conducted, which I have established through the Registrar of Friendly Societies. He is unable to take action because it is outside his three-year time limit. I understand that it is possible to upset the title even now, and would like to know, is the time limit for doing so 12 years?

If the sale was by the second mortgagee, and that mortgagee was not a building society, the provisions of the Building Societies Act 1962 will not have applied and any claim would have to lie in negligence, for which the limitation period is six years. In any event you would not be able to upset the title, as opposed to suing the mortgagee for damages, unless the purchaser could be shown to have known of the irregularity in the conduct of the sale.

## Assurance bonds gain

My wife and family pay higher rate tax and investment surcharge.

We invested in 1969 £1,000 in City of Westminster Assurance Company Westminster Bonds and £1,000 in Abbey Life Assurance Property Bonds and until 1975 paid tax on our withdrawals. From 1975 we have restricted our annual withdrawals to 5 per cent of our lump sum investment and have paid no tax. (This was on the recommendation of the fund.) Is this OK please?

Supposing we now encash the remaining units to realise about £1,000 in each case are we liable to any tax? The capital gains would be well

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

covered by tenant contributions to a management company. In 1981 total contributions were over £15,000, and as there were occasions during the year when there were large sums in deposit, the interest thereon attracted corporation tax at 40 per cent. Can you suggest any means whereby we could build up a contingency fund and avoid tax on interests in the meantime?

If there is mutual confidence (and a low turnover of shareholders/tenants), it might be possible to build up individual bank deposits—to be handed over to the company on demand when needed. However, the problems of a departure from the established procedure may well outweigh the net tax benefits. We suggest that you (and other shareholders) seek the opinion of the company's accountants on possible alternative arrangements.

**Employment and tax**

In the case of a tax-exempt redundancy payment to a university teacher, does the Inland Revenue at present tax it where the teacher is subsequently re-employed by his institution on a part-time basis?

Assuming it to be a bona fide case no tax would be payable.

## Residential complex tax

I have an interest in part of a residential complex, the operating cost of which is

## Maintenance of child

Can you give me some guidance on whether it is possible and how to proceed in relation to a court order for child maintenance made in West Germany which the Inland Revenue will not accept for tax relief purposes? My wife says that payments under a court order originating outside the UK are not within the charge to tax under case III Schedule D and sections 52/53 Income and Corporation Taxes Act 1970, as amended. In saying this (and what follows), we are assuming that you are domiciled in England and Wales (or in Scotland or Northern Ireland), as

well as being resident and ordinarily resident in the UK. In saying that the maintenance payments are not within the charge to tax under case III of schedule D, your inspector appears to have overlooked the fact that payments under a court order originating outside the UK are not within the charge to tax under case III Schedule D and sections 52/53 Income and Corporation Taxes Act 1970, as amended. In saying this (and what follows), we are assuming that you are domiciled in England and Wales (or in Scotland or Northern Ireland), as

## A spent conviction

We have received the following from Mr A. J. Baldwin, Clerk to the Justices in the Middlesex area of Greater London:

Further to your advice concerning spent conviction, May 8, I am writing to draw your attention to the provisions of Section 7 of the Rehabilitation of Offenders Act 1974 which makes it clear that the Act does not apply to any criminal proceedings before a Court in Great Britain. It is therefore open to the Court to have its attention drawn to convictions which might otherwise be considered to be spent, although a Home Office circular was distributed in 1975 to all Courts suggesting that "spent" convictions should not be read out in open Court unless the Court has been influenced by them in determining sentence. It should also be noted that a conviction which falls outside the appropriate period may be revived, as it were, by a subsequent conviction within the period. Thus it would be perfectly proper for a Court Clerk to read out details from a Swansea Licensing Centre print-out that the defendant has a conviction for speeding in each of the years since 1970.

I hope that this information is useful to you and that you will make it known to your readers as it is an area of law which frequently gives rise to misunderstandings even among members of the legal profession.

## Eric Short reports on Abbey Life's plan to attract home buyers

# A new unit-linked mortgage

FOR THE past decade, unit-linked life companies have been steadily encroaching on the savings markets that previously were served by the traditional life companies. But one important sector has remained inviolate—mortgages and mortgage repayment. This all changed yesterday when Abbey Life announced its entry into this field with the launch of its MortgageMaster Plan.

Repayment of a mortgage with a life contract has long been acceptable by building societies and now by the banks. For many traditional life companies it now represents a major source of life business from individuals. But it does mean that the maturity proceeds of the policy have to be guaranteed to be enough to repay the mortgage whatever the state of the stockmarket.

Building societies have been prepared to accept a with-profit contract, even though guaranteed by the life company because bonus rates have shown remarkable stability in the past 35 years. No life company has cut its reversionary bonus rates since the war.

Low cost endowment policies assume that future bonuses will be 80 per cent of current bonus rates and this margin is considered adequate by the building societies and the banks.

Unit-linked contracts are different from with-profits in that there are no financial guarantees compared to a with-profit contract. If the date of repayment of the mortgage coincides with a depressed unit price, the policy proceeds may be insufficient to meet the mortgage. The traditional life companies still quote the 1974 bear market to emphasise why unit-linked contracts are basically unsuited for mortgage repayment.

However, Abbey Life has had to make several modifications to the contract used for mortgage repayment—the whole life

COMPARATIVE COSTS OF REPAYMENT (a £20,000 mortgage over 25 years taken out by a 29-year-old man)

	Abbey Life MortgageMaster	Standard Life Low Cost
Monthly interest payments at 13½% (net of tax at 20%)	160.41	160.41
Monthly life assurance premiums net of life assurance tax relief	75.56	76.69*
total monthly net payment	235.97	237.10
Estimated maturity proceeds cash surplus	31,268†	36,156‡
	11,268†	16,156‡

\* Including waiver of premium benefit.  
† Including interest bonus of £6,310.  
‡ Including terminal bonus of £10,370.

regular premium contract CoverMaster—before it was acceptable to banks and building societies. It had to ensure a measure of stability and some form of guarantee to the ultimate cash-in value.

First, investors have no choice of funds for the underlying linking. Investment goes automatically into units of the £500,000 property fund—largest fund of its kind. Abbey Life's investigations revealed that the unit price of this fund has shown remarkable stability combined with a good yield since 1973.

Its wide spread of property holdings should help to ensure continued stability in the future.

But this in itself is not sufficient. Memories of the collapse of the property market in 1975, when Abbey's unit price fell some 40 per cent, are sufficient warning that only cash funds can guarantee that the unit price will not fall.

So Abbey has introduced a safeguard into the calculation of the cash-in value at the end of the mortgage period. This will be based not on the unit price on the day of the cash-in, but on the average unit price over the previous five years. This average price has not fallen since outset, even in the

dark days of 1975.

But in normal times of a steadily rising unit price, this average price will lag behind the current price. This shortfall will be offset, at least partially, by the payment of an interest bonus at cash-in.

This bonus will be declared on the recommendation of the actuary based on interest rates prior to cash-in and reflecting the internal investment switching made by Abbey. Abbey has thus introduced an element of with-profits on its linked contract.

Finally, all calculations to determine the premium will assume a conservative growth rate—at present 7 per cent against the usual 10 per cent for illustrations.

This move is welcomed on the grounds of extending the investment contracts available to homebuyers for repaying a mortgage. On the other hand they have to decide whether a unit-linked plan will offer a better return than a traditional low-cost. The table compares MortgageMaster with a low cost from Standard Life, one of the top performers in the traditional field.

As seen, Abbey's monthly premium is lower. But on illustrations, Standard Life offers



Michael Harper, Abbey Life chairman

prospect of a higher cash sum at the end. The homebuyer has to decide whether the return on the property fund will outpace future bonus rises.

Abbey Life is not confining its move into the new field by simply offering a contract to repay a mortgage. It has also linked up with the Bank of Scotland and Provincial Building Society to provide mortgage finance. In this respect Abbey is following the development made in recent years by traditional life companies.

This link will enable Abbey to meet the mortgage requirements from its own 2,500 direct sales force as well as the needs of intermediaries. But it visualises its growth in mortgage business coming from intermediaries.

Other linked-life companies can be expected to follow the Abbey lead in due course.

## Bugle sounds for Ernie

NO MATTER what you think about his effect on the nation's moral fibre, Ernie is certainly not a crook, says Mr Peter Bugler, an official at the Department of National Savings.

Mr Bugler is an ardent defender of Ernie, the affectionately-named random number generator which selects the winners in National Savings' regular Premium Bond draws. In spite of his critics, Ernie is thriving.

Yesterday marked the 25th anniversary of the Premium Bond scheme and Ernie dutifully churned out the winning numbers for this year's £250,000 jackpot prize. With the lucky owner of bond number 8KB863317 most likely nursing a hangover this morning, it might be an apt time to consider the status of all those losers.

One out of two people in Britain, or 25m investors, hold Premium Bonds. Initially denounced as a sure way to undermine Britain's moral fibre, the game has since pulled in a pool of funds which now totals some £1.5bn. The pool includes bonds purchased any time since June 1958 as the bonds have no maturity date. In spite of the name of the

game, this kind of bond pays no premium unless its number is selected by Ernie in one of his weekly draws. The scheme has distributed more than £1bn in prizes in its 25 years, with Ernie now dishing out about £8.5m a month. That £1bn might sound like a hefty sum, but the National Savings readily admits that the scheme is only providing an overall 7 per cent return, tax-free, to its bond holders each year.

In fact, Ernie has been providing a 7 per cent return for nearly two years (a time in which Britain's bank base lending rates have been as high as 17 per cent).

"Whether the amount going out in prizes is a good or bad deal depends on your point of view," says Mr Bugler, "but Ernie has proved his attractiveness as a national institution. There is always more money coming in and each year we can increase the value of prizes given out."

Cashing in a bond recoups only its face value, so most losers hang on even though the odds of any one bond being a winner have lengthened somewhat over the years. The bond prizes are tax-free, so they remain especially attractive to those in the higher tax brackets.



A wealthy investor who buys the maximum amount allowed—£10,000—earns 10,000 chances in the Premium Bond "raffle" of about 1.5bn "tickets" (each £1 unit is one chance to Ernie). "It is certainly unwise to think of it as an investment in the traditional way. It's more of a fluffer," says Mr Bugler. He adds that the criticism of Ernie on moral grounds has died out, but people continue to complain that Ernie favours the London area and that newer bonds have advantages over older ones. Mr Bugler says both com-

plaints are untrue. "Ernie has given bond holders a good run for their money and has provided a good return to the Government at the same time."

As gilt-edged securities now cost the government more than 13 per cent, Ernie's 7 per cent pay-off could well prompt complaints of stinginess from one or two losers this morning. But for the other side of the story, talk to the holder of bond 8KB863317. He might even spare you a glass of champagne.

Carla Rapoport

## Attention all UK expatriates

Resident Abroad, the monthly magazine for UK expatriates, fills an information gap that has existed for far too long.

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UK, as well as in the U.S. And some aspire to a still higher quality.

It is not, however, a "new wine" in the sense that many of the Australian and Californian wines may so be loosely described. Nor, on the other hand, is it such a very old wine, though wine has traditionally been grown in the Ebro valley, as it was throughout Spain; particularly before the phylloxera.

Oddly enough, it was the phylloxera that really gave Rioja its commercial chance; especially the phylloxera followed by the mildew that hit Bordeaux in the late 1870s and early 1880s.

It is no coincidence that some of the oldest firms in Rioja, such as Riscal (1860), Murrieta (1870), Lopez de Heredia (1879) and CUNE, the Compania Vinicola del Norte de Espana (1879) were founded around this time.

As a result of these attacks, which reached Rioja later, Bordeaux, even then the biggest quality wine area in France, became desperately short of wine. In consequence very large amounts of wine were imported from Spain and elsewhere: pretty ordinary wine for the most part, but good enough for blending in the specially set-up "free port," in the Gironde estuary near Bordeaux. Moreover the phylloxera put many *cigarreros* out of a job, and they emigrated across the Pyrenees to the nearest wine area, which was Rioja, less than 200 miles south of the Gironde.

All these developments gave some Spaniards the idea of improving their wines by planting French grapes. The Marqués de Murrieta is credited with bringing in the Cabernet-Sauvignon grape, and in 1880 the Marqués de Riscal began planting his vineyards entirely in Cabernet-Sauvignon, and continued to do so until quite recent regulations permitted the use of only native grapes up to eight different varieties are now authorised for the red wine, and six for the historically less important white. The last Riscal vintage to contain the Bordeaux grape was the 1970, still with 22 per cent. There are those who suggest that Riscal's wines have never been so good since, though this may not be so. Nevertheless, as has been shown in certain Italian wine estates, the Cabernet-Sauvignon can contribute a certain special quality and style to wine. Yet even now many of the superior Rioja *reservas* bear a resemblance to claret, partly because they are matured in oak, and sometimes in French rather than American oak.

When the phylloxera hit Rioja at the end of the last century, the region suffered the same decline as elsewhere, and replanting was largely completed only about 1910. Following World War I came the slump, and the vineyard area appears to have declined. Moreover the fertile Ebro valley which was always had to compete with cereal production which was more profitable until the mid-1960s.

Then, however, the picture changed, and rather swiftly, for Rioja was deemed a district worthy of expansion in a world where wine consumption was predicted to increase vastly. There was, the experts declared, not going to be enough Rioja to meet the coming demand. So not only did replanting take place, but the

banks, wine concerns from elsewhere in Spain, notably in Jerez, and big foreign groups joined a rush to promote Rioja as a prime area for their diversification and investment. Not a dissimilar situation developed about the same time in the sherry area and in Cognac, though in Rioja there was not the gross over-planting that took place in those regions. It was on the cellars, offices and the most modern equipment that the money was spent.

In fact world demand for Rioja did increase, more than doubling since the 1960s. Last year exports reached 27m litres, compared with an above-average production of 135m litres. The UK was the biggest customer, with 2.1m litres, but Switzerland, Denmark and the U.S. followed closely behind, with imports of over 2m litres apiece.

On performance Rioja can scarcely be faulted, and it is an excellent, moderately priced wine.

What went wrong was the excessive amount of investment, based on an excessively optimistic forecasting. The bulldozers and the concrete mixers moved in, and the results can be seen today in much magnificent buildings and equipment. Some of the old houses remained independent, but others were bought up and transformed. Rumasa, the huge sherry and conglomerate group, bought Paternina and Franco-Espanola; Domecq and Seagram combined to buy and rebuild Palaccio, with the former living off in 1974 to start their own bodega. Pepsi-Cola acquired Santiago, Shelly bought AGE, Bodegas Unidas, and our own IDV secured Lagunilla, Gonzalez Byass are there too.

An unfortunate aspect of all



Vineyard at Abades in the Rioja Alavesa.

This development appears to be produced a white Rioja, but that none of the firms was developed a wine in a properly aware of what the vineyard 125 miles away in Rueda on the Duero (Douro).

Some of the big bodegas have gone to the other extreme and are making "white" wines with little or no time in wood, and bottled within a few months of the vintage. They claim that the public does not like oaky wines, but which, public, the wines are certainly well made, clean and fresh, but to my mind they lack the individual character that a quality wine should have. The same is being done with certain of the reds, and one firm produces a sort of "Rioja-Nouveau" although without the stipulated time in oak. Although this time in oak, particularly in new oak, can be overdone, a certain oaky flavour is, in my view, part of the essential character of Rioja, white as well as red. The wines themselves, with their varying backgrounds, will be discussed in a further article.

# YOUR SAVINGS AND INVESTMENTS -2

## Barry Riley looks at a newcomer to the financial community, the investor relations officer

### Putting ethics before lunches

A NEW BREED of professional is emerging at the interface of companies and the investment community — the investor relations officer. This week the Investor Relations Society, which boasts membership by 70 of Britain's bigger public companies, published its leaflet of practice guidelines. So what is an investor relations officer, and what does he do?

Only a few of the very largest companies have as yet an investor relations specialist, including companies like Shell and BOC. But many company officials such as finance directors, company secretaries and other senior executives are often called upon to communicate with shareholders, either formally or informally, and the idea of the guidelines is to define the framework in which they can operate.

The more cynical small shareholder may suspect that an investor relations officer is a man who takes big institutional shareholders out to lunch in expensive City restaurants, and leaks information about the company. In fact the Investor

Relations Society is keen to put the emphasis on high ethical standards.

Over the years the Stock Exchange has tightened its listing regulations, insisting that price sensitive information must be properly disseminated and not disclosed to a privileged few. More recently the Government has introduced company law which actually imposes criminal penalties on those who indulge in so-called insider dealing. No wonder company officials are looking for guidance on just what they can and cannot do.

The aim of investor relations work is to "assist in the formation and maintenance of a well-informed market in the company's shares," according to the society's guidelines.

But this is only to help the financial community and members of the public to reach their own conclusions about the value of a company's shares. It is "unethical" for an officer engaged in investor relations to promote the purchase or sale of his own company's shares.

"There are no privileged

audiences in investor relations," the society goes on. "As a matter of principle, nothing should be told to anyone that could not be told to an investment analyst or a member of the press."

Yet the outsider will perceive that there are some tricky grey areas in all this. How is the investor relations officer to give a totally unbiased picture to those he contacts? He would scarcely be human if he did not put more emphasis on the favourable facts than the uncomfortable aspects of his company's affairs.

Perhaps his listeners will be experienced and skilful enough to adjust for any bias. Yet the society admits there is another danger: that an insider may not always appreciate whether information is price-sensitive or not. Something quite important could be left out inadvertently. "The risk can lie in over-familiarity with the company's affairs," warns the society.

Every now and then a share price moves substantially after a company chairman has

samped the cuisine of one of the leading firms of City stockbrokers. The other week a fund manager with one of the big merchant banks was said to have slipped out in between courses to sell a line of a million shares, before the other lunch guests got back to their offices.

There is, however, usually more gossip than hard fact in such stories. For the small shareholder who is left out in the cold by all this, there is at least the comforting thought that the information distribution processes are nowadays very slick and the Investor Relations Society gives clear guidelines on the means by which company statements must be made public in order to be fair to everybody.

Even in a distant office of a country broker the TOPIC screen will flash up the announcement almost instantaneously. But no investor, however near or far, will be in a position to react faster than the jobbers. Or, as the society's leaflet puts it: "Trading prices will be adjusted immediately everywhere."



## When the Pru and the Post get together

"TWO 15p stamps, one dog licence and £56 worth of travel insurance, please." That's the shape of things to come if a test marketing exercise being carried out by Prudential Assurance and the National Girobank this summer proves a success.

The Pru has got together with Giro to sell travel insurance over the counter at Post Offices. The scheme is being test-marketed in the Midlands area through 1,206 Post Offices plus a few selected offices offering bureau de change facilities.

The idea is that you just fill in the proposal form and hand it over with the fee to the counter clerk. A quick thump of the date stamp, the form is handed back and cover is immediate. You can now afford to be a bit more reckless on the six slopes.

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## Few people have a good word to say about the new plan for CGT: Tim Dickson reports

### Battle ahead with the taxman

PROPOSALS to index the capital gains tax system will in years to come almost certainly be seen as the most radical feature of the 1982 Budget.

Paradoxically, however, it is hard at the moment to find anyone outside the Inland Revenue or Treasury with a good word to say about the new rules.

"Dog's dinner" is about the polite description of the way the relevant clauses in the current Finance Bill have been drafted and pressure has been mounting at Westminster and in the City for major changes to be made before the legislation reaches the Statute Book.

As things stand, the main complaints are that the detailed proposals are both administratively highly complex and inequitable.

The next major opportunity for parliamentary critics to air their views will come in the next couple of weeks when the capital gains tax section of the Bill is due to be discussed in committee.

While there seems likely to be a concerted backbench attempt to force the Government to remove the offending clauses this year, some influential voices are also suggesting that the whole thing has been so badly thought out it should be temporarily abandoned and reintroduced in the 1983 Finance Bill.

This is not to belittle the importance of the breakthrough which has been achieved. After years of increasingly rapid price rises, the Government in the Budget finally conceded that in future gains tax should only apply to "real" gains—in other words after knocking off the increase in money value which reflects inflation during the relevant period. Observers have pointed out that the introduction of an index-linked gilt concentrated the authorities' minds.

The tax free exemption (previously £3,000) is to be raised to £5,000 per annum for 1982/83, and this limit will automatically

be raised in line with the Retail Prices Index (RPI) each year.

Other conditions, however, have ruffled with many people who initially applauded the change.

Most significantly perhaps the Inland Revenue has refused to give retrospective relief to gains realised on shares already held. Indexation relief, moreover, is not permitted in respect of the first 12 months after purchase. The proposals allow individuals to reduce their capital gains tax bills by the "indexation allowance," an amount calculated by applying the increase in the RPI from the date of March 1982 to the date of acquisition in the months in which the asset is disposed.

But applying to the original cost of assets, the allowance may be of little value.

The Bill also ends what is known as the "pooling" arrangement for shares. Hitherto, shares of the same class in the same company have not been regarded as separate assets but have been added together and treated as one holding. When shares were sold, their allocated cost was the average of all the shares in the pool, under the new arrangements, however, a record of the date and price of assets acquired separately in the same company will have to be kept. When any shares are sold, the purchase price used in the computation for capital gains tax will be the one most recently paid. This last-in, first-out principle effectively minimises the indexation allowance.

Indexation as outlined in the Bill in itself cannot create or add to a "loss" (capital losses, of course, can be offset against gains before tax is worked out).

By resurrecting a clause from the old short term gains legislation withdrawn in 1971, the present Finance Bill also effectively outlaws "bed and breakfasting," selling at the end of one day and buying back first thing next morning, to create either a gain or loss.

This was widely considered to be a useful tax planning tool and allowed investors to "protect" gains already made without actually parting with their shares.

Such sales and repurchases will now have to be made in separate Stock Exchange accounts—a requirement which gives rise to the intriguing possibility of "week-end breaks." The idea is that of Mr Tony Richards, a partner in stockbrokers Quilter Goodson, who points out that investors could sell on a Friday evening at the end of an account and buy back the following Monday morning.

He also points out, however, that shareholders would have to pay the 2 per cent stamp duty twice and "two lots" of commission.

Reinstatement of bed and breakfasting is just one of the demands which have been made by lobby groups such as the Stock Exchange, Institute of Directors and individual stockbrokers and accountants.

Stock Exchange chairman Sir Nicholas Goodson, for example, has suggested that a base date of 6 April 1981 should be established so that all holders would be treated equally regardless of when before this date they bought their shares. This would then be treated as the cost price for capital gains tax purposes. Sir Nicholas has also criticised the ending of pooling arrangements and the need in future separately to identify securities.

The Consultative Committee of Accountancy Bodies commented this week that "the decision to index capital gains is welcomed but it is inequitable to exclude the first 12 months of ownership and relief for periods before March 1982, and to ignore losses."

The Institute for Fiscal Studies, argues that "the proposed methods of establishing future inflation deductions of existing asset holdings will seriously distort portfolio allocations and the functioning of financial markets."

With so many heavyweight submissions opposing the present proposals, why has the Government apparently made such a mess? The Inland Revenue, it is known, has always been reluctant to concede the indexation principle and some suspect that the present mishmash is an attempt to make the system as difficult to operate as possible.

More seriously there are good financial and political reasons to ensure that some money is still raised by the tax. John Kay, Director of the IFS, however, estimates that even "pure" indexation would raise some revenue and suggests that a "more simple and logical system" would be simply to subject real gains to income tax.

Kay also points out that in some ways the Government's refusal to index losses is understandable. Investors in gilt edged securities, for example, are sitting on huge potential real losses thanks to high interest rates and inflation and the consequently disastrous performance of fixed interest over the last 10 years. If realised, these could significantly reduce the Government's CGT take—currently about £750m a year.

Furthermore, now that the indexing principle has been established, where does it stop? What price protection against real losses from building societies and bank deposit accounts?

There is certainly plenty for the politicians to ponder in the next few days. Speculation abounds that the pleadings have not fallen on deaf Treasury ears but the Inland Revenue is also a strong lobby.

Individual investors, meanwhile, could perhaps take their cue from a tax partner in one of the biggest accountancy firms who said this week, "I haven't studied the proposals in detail yet because I'm pretty sure they will be re-drafted. There's no point in slogging through a thick and turgid document twice." As they say elsewhere, watch this space.

## Welcome for Gower review

THE National Association of Security Dealers and Investment Managers—representing the licensed dealers—has been one of the first City bodies to respond to Professor Jiff Gower's controversial review of investor protection. Unlike the sabre rattling heard in other parts of the City from more illustrious bodies, the association openly welcomed the Gower findings.

The report, prepared by Professor Gower, was commissioned by the Department of Trade following the failure of a number of investment companies last year. His main plank for more effective regulation was the suggestion that the advantages of Government and self-regulation should be combined to provide a unified system for the whole securities industry. This would replace the present piecemeal arrangements whereby licensed dealers and unit trusts are closely, though not necessarily effectively, regulated by statute law, dealings on the Stock Exchange are closely regulated by non-governmental authorities; and a variety of others, such as commodity dealers, are not regulated at all from the point of view of investor protection.

An adjusted balance between governmental regulation and self-regulation is favoured by the licensed dealers. They said this week, through their association, that reform is urgently required and that the approach suggested by Professor Gower "represents a broadly satisfactory and acceptable system of self-regulation with a balance between statutory and self-regulation. This would appear to be the system which is simultaneously both the most likely to succeed and that offering the best prospects of protection for investors in the future."

They say that if the balance between the statutory and self-regulatory system is to be redrawn successfully, the Department of Trade will need to recognise and embrace the implications of its new role.

The Department says the association, has historically adopted a passive role towards its functions under The Prevention of Fraud (Investments) Act 1958. "Professor Gower's review suggests that the Department would in future have a considerable role to play in the establishment of the basic rules of the various self-regulatory agencies," adds the association. "The continuation of the Department's historical policy would ruin this new approach."

The association says that in the light of past experience, "it is vital that the detailed method of interface between the Department and the various self-regulatory agencies be spelled out. The potentially wide-ranging powers of the Department will need careful definition."

## And now, a second-hand tax bill

INVESTORS WHO have bought second-hand life bonds could be caught for a hefty tax bill.

This warning was given last week by Mark Weinberg, chief executive of Britain's largest-linked life company Hambro Life and is one reason why his company will not be making second hand bonds available.

Sales of second hand bonds are booming according to Mark Weinberg since the Government has failed to block this particular tax loophole in this year's Finance Bill. This boom is not surprising given the tax efficiency of a second hand bond.

For readers not familiar with this subject, a recap will illustrate the problem of second hand bonds.

If an investor buys a bond direct from a life company, he is subject to higher rate tax on the profit when he cashes-in all or part of that bond. The life company is deemed to have paid basic rate tax on behalf of the investor in its tax bill.

But if an investor buys a life bond from an intermediary who holds a stock of such bonds already bought from a life company, then that bond is taxed as an asset and subject to Capital Gains Tax only, just the same as if the investor had bought a piece of antique furniture.

This is an apparent anomaly in current tax laws and it was expected that the loophole would be closed this year.

Instead, the Government made second-hand bonds even more attractive by the indexation of CGT (see the article above).

Indeed, the introduction of index-free, loans from a life company, which by another quirk, are also tax-free on second-hand bonds, investors in second-hand bonds are paying just basic rate tax on the investment (through the life company's taxation).

At least that is the opinion of the various tax counsels consulted by those life companies marketing second-hand bonds.

But Hambro Life also sought tax counsel's opinion and this ran contrary to that given by other counsels. He felt that the Revenue could tax second-hand bonds under existing legislation and the bill could be a hefty one. Hambro Life does not intend to risk this happening to one of its policyholders.

However, Mark Weinberg's objections are not just for short-term commercial reasons. He is also concerned over the long-term effect such tax avoidance operation could have on the life assurance industry.

He feels that life companies already enjoy favourable tax concessions from the Revenue. A continual flaunting of these concessions and an exploitation of loopholes could well result in the Revenue seeking to end all tax concessions. The industry has already had one fright on

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**PROPERTY**

**Close encounters**

BY JUNE FIELD

LIVING in The Close at Salisbury is like living in another city. Daniel Defoe noticed this in 1724. And even today, as one drives in through the gates which are locked by the Constable at 11 pm (keys are needed to enter later), it is like going into a private world.

Inevitably the original houses for the canons, choristers, vicars, choir boys and other members of Minor Orders, built around the 13th century when the west front of the cathedral was completed (1269), have been extensively added to or rebuilt.

But the atmosphere of this privileged self-contained area is still one of peace and tranquillity after the bustle of the city's busy streets.

Some of the 14th century wall enclosing the complex still exists, built in parts with stones from Old Sarum, remains of an Iron Age hill-fort which accommodated the original medieval castle, cathedral and the cathedral with its 404 ft spire, the tallest in England, are some 74 properties, mostly leasehold, owned by the Dean and Chapter.

Among distinguished former residents were John Fisher, whose uncle was Bishop of Salisbury, who had Constable to stay at Ledendahl, from where he painted Salisbury Cathedral from the Water Meadows.

Henry Filding and his family lived in the Vicar's Hall when he was writing Tom Jones, and had the neighbours complaining that "wild extravagance and gorgeous velvet suits alternated with rags and the company of halflife."

Accommodation in the Close is eagerly sought after, but preserving the private ownership pattern or allowing use compatible with the environment, has not been easy. But Mr John Cornforth pulled out in Country Life last year: "The Close, of course, is not just a collection of historic buildings to be looked at: it is an elaborate and changing community."

Last summer the museum of the Berkshire and Wiltshire (the Duke of Edinburgh's Royal Regiment), opened at the Wardrobe, once the bishop's storehouse, and the Salisbury and South Wiltshire Museum moved to the King's House. This handsome medieval building was part of the College of Sarum St Michael, which in 1852 became a women teachers' training college and closed in 1978 because of the cut-back in the training programme.

Now most of the college's modern buildings, built Georgian-style to blend into the period surroundings, are being imaginatively converted by Wimpey Homes into 72 one-, two- and three-bedroom apartments on a 125-year lease. Those in Queen's House, originally study rooms and warden's flats, built in 1982, have been sold, similar accommodation in Maxwell House is selling at prices from £42,745 and St Michael's House, the old gymnasium, is well on the way to completion. The apartments in this latest phase are in the £85,000 to £85,000 bracket, because there are beautiful views over the River Avon (each owner will have fishing rights), "as well as stirring views of the cathedral spire. Prospective buyers should contact Mr A. W. Weller Esq., 74 Castle Street, Farnham, Surrey, who reports he has interest in the well-run estate. Voysey houses are fairly rare on the market, as he only period, 1898 to 1913, of which about 40 were houses.

Lowicks House, in Surrey, built about a year after Greyfriars, was on Knight Frank and Rutley's books some years ago, and in the autumn of 1979, Spode House, Folkestone, Kent, built in 1800 for H. G. Wells, was on the market through Strutt and Parker, and Butler and Hatch Waterman.

Then John D. Wood was offering Little Court, Exford, Surrey, designed around 1909 for F. Walters, some time back.

Voysey built houses to be lived in, his philosophy for their enjoyment: "Repose, Cheerfulness, Simplicity, Breadth, Warmth, Quietness in a storm, Economy of upkeep, Evidence of Protection, Harmony with surroundings, Absence of dark passages, evenness of temperature and making the house a frame to its inmates."

Greyfriars has had very few owners, and until now has never come on to the open market, always changing hands privately. After Sturgis it was occupied by the sugar family Lyle, then by Robert Turner of Turner and Newall, the asbestos sheet company, followed by Lloyd broker Mr Colin Graham and his family who are now moving to another Surrey home.

The whole 304-acre estate, with the five bedroom, five bathroom house, with its eight secondary bedrooms, plus cottages, farm buildings, staff accommodation, squash and tennis courts, swimming pool, and stabling, is being offered



Elizabethan front-front house with a private chapel in the North Walk of The Close, Salisbury, has spectacular views across the lawns to the Cathedral. The important listed Grade II building needs considerable restoration, and offers in the region of £50,000 are being asked for the 60-year lease. Details Christopher Lacy, Savills, Rufus House, 60 Milford Street, Salisbury, Wiltshire (0722 20422).

**GARDENING**

**Apple—ripe promise**

ARTHUR HELLNER

IT WAS a magnificent spring for blossom both on the fruit trees and the ornamentals and there must now be widespread hope of a good fruit crop, though some uncertainty remains. In my own mixed apple orchard the set of fruit is uneven, some trees being laden with tiny fruitlets which will need drastic thinning if they are to continue to develop, others with scarcely a fruit to show for all that flower.

No doubt this reflects different flowering times since there was at least one severe frost night early in May sufficient to destroy open blossom.

The apple blossom season spreads over a full month and Crawley Beauty is still white with flower as I write. It is the latest flowering apple I have and it must be completely self fertile for it hardly ever fails to set a heavy crop despite the fact that there is no other variety left in bloom to cross-pollinate it. As an apple it is very inferior, too small for cooking, too tasteless for eating but I retain a few trees for their great beauty and reliability.

Years ago I made numerous crosses with Cox's Orange Pippin and other quality dessert apples in the hope of getting a late flowering and therefore reliable apple of good quality but Crawley Beauty proved so dominant that nothing of interest resulted. I suppose I should have persevered to a second or third generation but other interests intervened and I accepted defeat.

I strongly advise fruit growers who have a heavy set of apples or pears not to be in a hurry to thin since there must still be some doubt about the full pollination of some of these super-abundant fruitlets. June drop is a familiar phenomenon to all experienced fruit growers and it may well be heavy in some places as the weather has become increasingly dry, which does not help in swelling fruits and carrying them over that critical period when the pips are forming.

Personally I shall leave things very much as they are until after midsummer but I may give the heavy bearing trees another dose of fertiliser to help them over this demanding period if so it will be a compound fertiliser with a fairly high nitrogen percentage which is what seems to be most needed now especially after a winter when soils have been considerably leached by rain and melting snow.

Raspberries also give good promise of a satisfactory crop but may need thorough soaking to enable them to swell their fruits fully. These and blackcurrants are thirsty crops which is one reason why they respond well to heavy spring mulches of any bulky organic material that is available, manure, garden or mushroom compost or grass clippings. But there is danger in applying thick mulches to soil that is already dry for they will tend to prevent light showers reaching the soil.

If mulches are to be applied now it will be wise to soak the soil well before they are spread. Exactly the same applies to runner beans which will have germinated better outdoors than for several years and are looking most promising.

It is too soon yet to start summer pruning except, perhaps, for a few very forward wall-grown apples and pears. Though superficially they look so similar in growth their method of producing fruit bearing wood is quite different. Peaches, and also nectarines which are really smooth skinned peaches, carry their fruit on year-old stems with little or nothing on the older wood.

By contrast it is on branches two years old and more that plums and also sweet cherries bear and in doing so they slowly build up clusters of fruit buds known as spurs. Sour or Morello cherries stand apart by flowering and fruiting on young growth like peaches.

These differences entail quite different systems of summer pruning. For the peaches, nectarines and Morello cherries it is a process of renewal pruning; the removal of older stems after they have yielded their crop and their replacement with young stems that will bear flowers and fruits the following year.

For plums and sweet cherries, as for apples and pears, this would simply eliminate fruits altogether and summer pruning is designed to shorten young growth so that fruits are carried close to the branches but to retain all healthy old growth for which there is room.

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LOOKING at the reproduction of the perspective watercolour and plans of Charles Francis Annesley Voysey (1857-1941) for a house on the Hog's Back, near Puttenham, three miles from Guildford, Surrey, one can see that much of the original style remains, even though the place has been considerably extended. (The watercolour, signed H. Gaye, was exhibited at the Royal Academy, 1897.)

The long narrow house, variously known as Merishanger and Wanote, and now Greyfriars, to accord with its grey roccoco finish, was designed to fit under the brow of the hill to give spectacular south views from all the principal rooms. It was built for Victorian connoisseur Julian Sturgis, one of whose claims to fame was that he wrote the libretto for Arthur Sullivan's unsuccessful opera Iolanthe.

The original narrow leaded-light stone-mullioned windows are still there (with the addition of some in the roof), as is the dramatic floor to ceiling manor window in the living room. The studded oak door with strap hinges, leading into the flagstoned lift hall is pure Voysey, as are many of the finely hand-crafted carved wood details throughout, including his favourite heart motif. Adequately insuring such irreplaceable touches must be well nigh impossible.

Voysey designed every aspect of a house himself. The working drawings for Greyfriars, as listed in the Catalogue of the Royal Institute of British Architects (CFA Voysey by Joanna Symonds), covers everything from fireplaces to fences, to skirting, drapings and a weathervane.

On a guide price of £800,000 to £900,000. Or the property can be bought in lots, with a guide figure of £300,000 on the main house in 28 acres.

For a brochure serious enquirers should contact Mr A. W. Weller Esq., 74 Castle Street, Farnham, Surrey, who reports he has interest in the well-run estate. Voysey houses are fairly rare on the market, as he only period, 1898 to 1913, of which about 40 were houses.

Lowicks House, in Surrey, built about a year after Greyfriars, was on Knight Frank and Rutley's books some years ago, and in the autumn of 1979, Spode House, Folkestone, Kent, built in 1800 for H. G. Wells, was on the market through Strutt and Parker, and Butler and Hatch Waterman.

Then John D. Wood was offering Little Court, Exford, Surrey, designed around 1909 for F. Walters, some time back.

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BOOKS

# Tarka's keeper

BY RACHEL BILLINGTON

**Henry: An appreciation of Henry Williamson**  
by Daniel Farson. Michael Joseph. £8.95. 246 pages

Henry Williamson wrote *Tarka, the Otter*. That is what his admirers will remember. He also supported Hitler at one time and Oswald Mosley in the war. That is what, according to Daniel Farson, his detractors cannot forget. This book is an energetic defence, a lively personal story of an extraordinary man who remained convinced of his genius throughout an extremely long life—even though he never again achieved the kind of fame *Tarka*, published in 1927, brought him.

He was clearly a difficult man. He made life difficult for his two long-suffering wives and the many other women who succumbed to what Denis Van Thal described as his "old-world blend of passion and romanticism." Sometimes he had many very good friends, including Daniel Farson's father, the American writer, Neley Farson and Ken Allison who shared Williamson's joy in nature. At other times when he had entered into a state of rage with these friends, for some real or imagined slight, he was nearly solitary. He ended life in 1976, alone, having outlived many. To

the end he wrote industriously, completing two novel-sequences, *The Flax of Dream* and *A Chronicle of Ancient Sunlight*. Both are now almost totally unread and even at the time were only admired by a few—although certainly a distinguished few, including John Middleton-Murry and John Betjeman.

However, he never lost faith in himself. He was in his own view—and those of us who admire his mature books, if not the sagas, will probably agree—a man of true creative spirit. He therefore did not expect to play by the normal rules of human behaviour. His own interest, at all times, came first.

Luckily, as Daniel Farson, friend and admirer and, on occasions, victim, makes so vivid, he was also extraordinarily charming. Not that Mr Farson is blinded by affection. On the contrary, he tells almost with relish of the dreadful things that Henry Williamson did. Farson asks both his ex-wives the same question: "Was he a cruel man?" And seems surprised when in both cases he gets the answer "no." This despite memories such as his second wife's recall: "I remember him beating up my mother, and bruises and screams, and I would come along and I would attack him and as soon as I attacked

him he would start crying and say 'What am I doing, that my son should have to stop me beating my wife?'" But Mr Farson has a defence. A defence which explains both his everyday behaviour and his reaction to the war. (He likened the Hitler rallies to swarms of bees and noted "The feeling I had while among the masses of people listening to Adolf Hitler at Nuremberg was one of their happiness and goodness"). Mr Farson explains: "In 1914 Williamson was a sensitive young soldier—though not as young, it must be admitted, as the 18 he claimed. By chance he was on the front line at the Christmas Day when Germans and British joined in prayers of peaceful celebration over the barbed wire. According to Mr Farson, this uplifting experience against a background of the horrors of trench warfare set an indelible print on his mind. Life could never rise to such an ideal again. Here was the human spirit at its most exalted. He could never again see the Germans as enemies. Mr Farson believes further that this ideal arrested his proper development into maturity, making him forever as naive yet as strong as the boy he was then.

It is a convincing theory. The brilliant blue eyes, the unbending energy and enthusiasm have

Outdoor man

the kind of blindness of a child. He never learnt to compromise. It explains, also, his affinity with animals, the extraordinary ability he had to write as if he were the playing animal, the hunted animal. In Devon, among the woods and rivers, he found a wildness and unthinking bravery that fitted in with his own views. They are not those of an ordinary adult human being.

Richard Williams, in an introduction to the hardback version of *Tarka*, describes how the death of Tarka in the film version of the story coincided with the death of his father. It is a moving and appropriate coincidence.

# Crosland's complexities

BY MALCOLM RUTHERFORD

**Tony Crosland**  
by Susan Crosland, Jonathan Cape. £10.95. 422 pages

This is a remarkable, possibly unique book: the biography of a politician written by someone who loved him, was clearly loved by him, and who is more than a passable journalist.

"Tony," she writes, "later claimed to be the only British politician with an American wife who was not an actress." She was uninhibited enough to ask questions. Over dinner on the day of their first meeting, she said: "What exactly is *The Future of Socialism*? Is it one of those pamphlets?" Then again, when they were married and Crosland was Secretary of State for Education: "Could you be very kind and in three sentences tell me exactly what is a comprehensive (school)?" He told her in three sentences.

Forget about the history of Socialism, or even of recent Labour governments. This book isn't about that. It is about politics as seen from the inside by a wife who lived through it. Worries about money, about the children (in this case step-children), about the house are all there. So, too, is the acknowledgement that however much she loved

him and however clever he was, Crosland could be at times—in Susan's words—"bloody impossible."

The book is full of gossip, hardly more so than about Tony Benn, who had been a student of Crosland's at Oxford. Benn won a by-election, "whereupon he made a public announcement that he must lose the stigma of being an intellectual. 'You'd better acquire the stigma before worrying about losing it,' his former teacher said."

Benn developed the habit of calling himself "Jimmy" and would telephone the Crosland household under that name. "I wonder if that mad farmer," Crosland said after a lunatic one day, "was really Jimmy." Won't hear a word said against him. I'm devoted to Tony Benn. Nothing the matter with him except he's a bit cracked."

Mrs Crosland pulls few punches even when her late husband is the target. Here she is quoting him on education: "If it's the last thing I do, I'm going to destroy every f—ing grammar school in England." Here he is again talking to Roy Hattersley — Roy Hart, as they call him — on the telephone about the Labour leadership contest after the resignation of Harold Wilson: "Would you like to know why I'm not voting

for you?" Hattersley said. "No. F— off," said Crosland.

There is also a marvellous row with Kingsley Amis over who should handle Crosland's record-player. "Wedding present from Hugh Dalton," Crosland said. "Cost him a lot of money. One would rather let one deal with the gramophone." "Look, Crosland," said Amis, "they're my records." "It's one's gramophone." The party broke up.

Some of the vignettes are more serious. On the vote (under the Heath Government) to take Britain into the Common Market, Mrs Crosland notes that for her husband "Europe remained lower on his list of priorities than the educational policies which only a Labour Government would undertake."

Crosland abstained, and told Bill Rodgers — now of the SDP — that he was more interested in housing than in Europe. "Bill reacted furiously. 'No man of your intelligence could actually believe that,' he said, turning on his heel and strolling off." Yet when it came to the referendum Crosland campaigned in favour of staying in. "To withdraw now," he said, "would create in this country a mood of poor man's inchoate chauvinism, reviving old dreams of Empire and special relationships that have had such disastrous effects on British

Tony Crosland: Labour brain

policy-making since 1945." The book contains no real conclusion, except Crosland's: "I think, I believe, that I can read between the lines. He came from a puritan background and, despite his subsequent promiscuity and sometimes wild behaviour, he never really left it. He had a sense of duty and of order. He was peculiarly English. 'My personality is dual,' he wrote during the war. 'One wants a VC, the other a quite cultured life.' He was put forward for the Military Cross but was turned down.

# East goes west

BY ADAM MARS-JONES

**The Samurai**  
by Shusaku Endo, translated by Van C. Gessel. Peter Owen. £8.95. 272 pages

**Brother of the More Famous Jack**  
by Barbara Trapido. Gollancz. £6.95. 213 pages

**Psyche**  
by Amanda Hemingway. Faber and Faber. £7.95. 235 pages

**Estella: Her Expectations**  
by Sue Roe. Harvester Press.

**Ralph**  
by John Stonehouse. Jonathan Cape. £6.95. 319 pages

There are two entirely successful novels on offer this week. One is sombre, worthy and foreign; the other is exhilarating, witty and domestic. The choice can safely be left to your temperament.

The sombre import is Shusaku Endo's *The Samurai*, a painstaking work of historical reconstruction. In 1613 four low-ranking samurai were sent as ambassadors to Mexico, to create trading links with Spain. In exchange they offered proprietary rights for European missionaries in Japan. The samurai themselves had no choice in the matter, but hoped to gain favour by the success of their efforts.

In fact the "envoys" were casually sacrificed. From Mexico they went to Spain, and

eventually to Rome for an audience with the Pope. They were baptised, in hopes of gaining the trust of the Europeans. But the whole mission was a decoy, and when they returned to Japan they were disgraced and persecuted.

Mr Endo vividly conveys the painful emancipation of travel at a time when news moved no faster than the person carrying it. The rural samurai have their horizons brutally extended by their journey, the world is very wide, as they discover, but they can no longer believe in people.

The novel requires a considerable leap of faith from the reader; but it commands respect for its solid construction and measured progress towards the final martyrdoms. The few intrusive mannerisms of the first pages, in which snowflakes melt "as if to underscore the brevity of life," give way to a narrative of austere power.

Barbara Trapido's *Brother of the More Famous Jack* cares nothing for power and stakes everything on verve. At great speed it tells the story of a young woman's involvement, over 15 years, with a clever and glamorous family. The Goldmans are impossibly bright, warm, beautiful, witty and consistent. My objections are on a much more trivial level: the title is oblique in a way that seems smug, not subtle; and the 1970s word "macho," meaning pretentiously masculine, looks odd in a speech supposedly of the 1960s.

But these are minor matters. I hope the book comes out in paperback. I hope it is stocked by railway-station bookstalls. I hope railway-station bookstalls have to build extensions to house the necessary copies.

This week's three other offerings are all first novels. *Estella*, by Sue Roe, is eccentric (favourites being "taffeta," "stiletto," "substantive" and "autonomy"); the resulting book is no less so: hard to categorise but not thereby any easier to like.

John Stonehouse's *Ralph*, by contrast, is easy to pigeon-hole: an undistinguished Eurocorruption thriller. Any book which has "discrete" for "discreet," "incidentally" for "intentionally" and "pucked" for "puckered" is in some need of an editor, but no excellence in this department could make up for the absence of an author with something to say.



Barbara Trapido: speed and verve

Hiloric Chain. Infinity is just down the road, but life is placid in a bleak sort of way until the planet's mineral deposits become the target of cosmic conspiracy.

Amanda Hemingway's portrait of the girl Psyche's slow coming to life is more successful than the action sequences, which are sometimes a little vague. But the writing throughout is lively and fluent, often quietly witty.

There is wit, too, in Sue Roe's *Estella: Her Expectations* ("she had knees like a Jean Rhys heroine"), but it is largely swamped by a cloying and narcissistic prose style; as repetitive as Gertrude Stein's and almost as narcotic. Sue Roe's word-choir is eccentric (favourites being "taffeta," "stiletto," "substantive" and "autonomy"); the resulting book is no less so: hard to categorise but not thereby any easier to like.

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# Sino-Japanese imbroglio

BY COLINA MACDOUGALL

**When Tigers Fight: The Story of the Sino-Japanese War 1937-1945**  
by Dick Wilson. Hutchinson. £10.95. 289 pages

The Sino-Japanese war, said Lin Yutang, a leading Chinese novelist of the time, was "the most terrible, the most degrading, the most devastating in all Asia's history." There were over 2m military casualties; an estimated total death toll of 10m; and the number of homeless reached about 40m.

The war lasted eight years, and, Dick Wilson says, it

furnished the same focus of passionate ideological rivalry between left and right in Asia that Spain provided for their western counterparts—with the added complication that Japan, for all its rightwing militarism, attracted many Asians who wanted to see white colonialism defeated.

Many participated at a lowly level who today rub shoulders in the corridors of power: two recent Japanese premiers: Lee Kuan Yew of Singapore (Dick Wilson says he was an interpreter for the Japanese); and hundreds of China's senior guerrilla bureaucrats: The war could have been expected to

shape attitudes around the Pacific for a generation.

But, curiously, the legacy of that time has all but vanished. In China, Japan's commercial imperialism prospered, exemplified by the gleaming Sanko shop in Peking. The names Sanyo and Sony rose not horror, but acquiescence.

In the flood of economic and cultural exchanges which Japan and China promote, with one another, who remembers the rape of Nanking, the bombing of Shanghai, the bayonet practice with helpless prisoners, the half-dead boy soldiers left rotting in the fields?

Dick Wilson's book does not spare us the horrors. As a chronicler of the war he mostly omits politics. Instead he gives us—sometimes all too literally—a blow-by-blow account of the campaigns.

There is no doubt of the importance of the war, which brought the Communists in China their victory and, in the end, militarists in Japan their demise. But one is moved not so much by interest or curiosity, but rather amazed that such appalling events, involving so many millions of people, could vanish almost without trace into the deities of history.

# Tuscan thoughts

BY DAVID PRYCE-JONES

**The Divine Country: The British in Tuscany**  
by Olive Hamilton. André Deutsch. £8.95. 190 pages

Thousands of expatriate English, from celebrities down to anonymous hippies, are today doing their thing all over the Italian countryside. What they have in common is the notion that Italy is the place for happy endings. This is the perfect book for them, for it consists of essays about some of the amazingly diverse Englishmen who went to Italy and made good. Sweetness and light everywhere, with never a cross word.

Romance began early. Somehow the English never were convinced that the historic city

states were really as depicted by Machiavelli or Guiccardini. The darkest intrigues took on the colour of high romance. Witness Shakespeare.

Milton, Hobbes, Thomas Nashe, Gibbon, Byron, hundreds of travellers and artists, went to see for themselves, until eventually the Grand Tour and Palladianism, zanies, spaghetti, and much fact and fiction besides, had been built into the English poetical imagination.

Olive Hamilton also likes romancing, and is good at it. Finding one of her best subjects in Charles Edward Stuart, the Young Pretender, whose coat of arms to this day may be observed on a palazzo in the centre of Florence. The poor man, his daughter Charlotte, his second wife and her lover Count

Alfieri, experienced a melodrama all their own. Sprung on them was another famous character, the consul of the day, Sir Horace Mann, friend to everyone who was anyone, especially artists, for half the eighteenth century.

Tuscan picturesqueness was of course the work of painters, and Olive Hamilton selects examples: Thomas Patch, Zoffany, Robert Adam, Angelica Kauffman. Two figures are brought out of obscurity, the brothers Enrico and Ignazio Hugford, the former a monk who had a unique technique for scagliola, or the imitation marbling of stonework. Ruskin probably did more than anyone to establish the Tuscan idyll of vines and olives and old monuments under the sun.

Eccentrics were never in short supply and Olive Hamilton concentrates on a splendid example. Robert Langton Douglas, a huge man, historian, a partisan of "Steno," artist, dealer and rogue-except that was often right, greatly to the annoyance of his enemy Bernard Berenson. Douglas lived in a castle and had three wives, and 18 children, eight of them illegitimate.

By way of proving the diversity of the English involvement with Tuscany, two concluding essays describe the London and Liverpool entrepreneurs who developed the marble quarries of Carrara; and the wartime adventures of General Sir Richard O'Connor escaping from Vincigliata, the kindly Florentine version of Colditz. Happy endings, happy endings.

# Good gossip

BY GEOFFREY MOORE

**Sextet: T. S. Eliot and Truman Capote and Others**  
by John Malcolm Brinnin. André Deutsch. £7.95. 278 pages

First, since this is such a sparkling little book, let's get the bad news over with. Despite the fact that T. S. Eliot's name is prominent on the book-jacket, there are only 25 pages on him; and they are buried at the end. Infuriatingly, there is no Index. There is no Contents list, either.

This said, let it be recorded that Brinnin's reminiscences are a delight in themselves, and of great interest to literary sociology. It would be fascinating to see the journal from which he has made this book.

The first and longest section concerns the youthful Truman Capote: from slightly before *Other Voices, Other Rooms* in 1943, to the early 1960s—that is, pre-*Cold Blood*. Capote is outrageous: ever in search of an audience, gay, pleasure-seeking, a born writer with an ignorance of literature. "Do you want to look like the last pressed flower in *The Yellow Book*?" asks Brinnin. "What's that?" says Capote. It is Capote who introduces Brinnin to Cartier-Bresson.

Once again the period is the late 1940s. The understanding was that Brinnin should write the text for Cartier-Bresson's pictures, but at the last moment the great man demands more (and more) money, and declines Brinnin's co-operation (with the aid of an agent). This is a moving story.

We move on for a brief visit to Elizabeth at Bowen's Court, beautifully, bitingly observed. It comes in snippets, irradiated by Brinnin's own delightful, unobtrusive personality.

Obeded. The result is that our Mole in New York or Russia produces some unforgettable vignettes. "Her Highness" (as a stage hand at the New York Poetry Center aptly describes her) writes that "The Queen has created me a Dame Commander of the British Empire—a fearful slap for the pipsqueaker."

The penultimate section of *Sextet* is about Alice B. Toklas. "You've cracked Alice, I hear," says Thornton Wilder, back in New York—and so he has, and Gertrude Stein too, for Brinnin published an excellent book on her some years later.

The chapter "Mr Eliot, I presume" is very readable, not so much because it contains new information but because Brinnin is making a voyage of discovery: taking us with him, in that child-like, yet highly sophisticated way of his.

Eliot walks about looking shamelessly for copies of *Time* with his face on the cover. He "allows" himself to be inveigled into two appearances at the Poetry Center, reads "Prufrock" so that "immediately the audience recognises the conjunction." There is an unforgettable meeting with Marianne Moore. At the end, Eliot is both in love, and dying from emphysema. He and Brinnin meet in the men's room of the Connaught Hotel, and are joined outside by Mrs Eliot. The great man puts his arm around her, while she gazes up at his face "with the mischievous petulance of a little girl about to tease her father." So ends it. It's all gossip, of course, but what gossip!

Perhaps it is a little pretentious to call it, as I did at the beginning, "literary sociology." It is biography with a difference; it comes in snippets, irradiated by Brinnin's own delightful, unobtrusive personality.

# BOOKS OF THE MONTH

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Controversy  
by Susan/ Brinnin  
First edition sold out. Second (extended) edition now available. Institute of Economic Affairs.  
2 Lord North Street  
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**Land and Heritage**  
by Barry Bracwell-Milnes  
Should anyone doubt the force of this author's views, Lord Astor at Haver Castle, which he is having to sell—read, consult and all—will provide immediate confirmation and eventually the proof. Chiswick Press, 50 Finchley Road, London NW10 6DB. £2.00

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# Memorable index

BY PETER QUENELL

**The Trouble of an Index: Byron's Letters and Journals, Volume 12, Anthology and Index**  
edited by Leslie Marchand. John Murray. £15.00. 186 pages

Among London's finest literary monuments is No. 60, Albemarle Street. Behind that dignified front door—still flanked, some years ago, by the simple inscription "Mr Murray"—lies the broad 18th century staircase down which Byron and Walter Scott, both of them a little lame, were once seen stumping arm-in-arm. It leads past Thorwaldsen's bust of the poet—Byron himself complained that it looked nearly sad enough—to the famous parlor where John Murray I used to read aloud the great man's letters.

Since those days Mr Murray's office has been dedicated to Byron's memory. The late Sir John—uncle of the present publisher, was at times a rather stern guardian. He upheld the family tradition that stories told about the illicit relationship between Byron and his half-sister Augusta Leigh were completely unfounded, and insisted that his correspondence needed careful expurgation.

immense advantage, has demonstrated a more liberal point of view, and encouraged an American scholar, Doctor Leslie A. Marchand, to produce an 11-volume edition of Byron's Letters and Journals, that contains, unexpurgated and unabridged, every line Don Juan dashed off.

Now here is the Index, accompanied by Dr Marchand's *Anthology of Memorable Passages*; which should help to remind us, when we have reread the letters and digested their dramatic personal message, that Byron was not only an extraordinary—if often imperfect—poet, but also an astonishingly gifted prose writer.

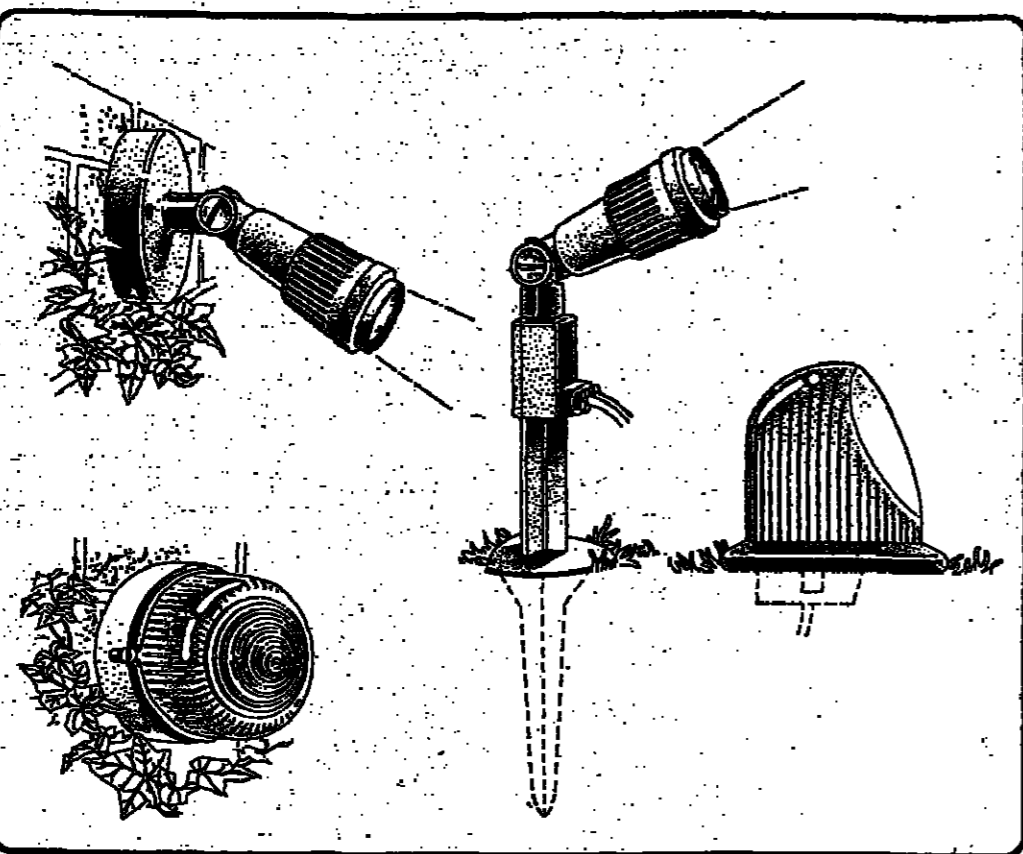
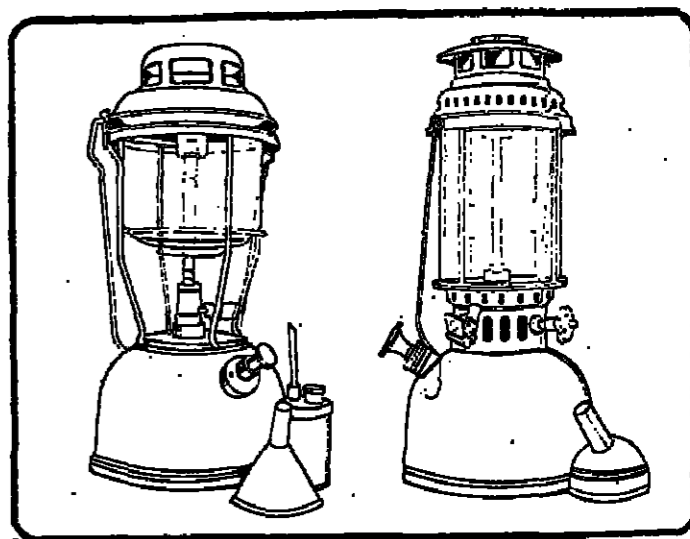
John Ruskin, a very different luminary, was one of the first English critics to do Byron's prose style full justice. Byron, he observed, wrote "as easily as a hawk flies, and as clearly as a lake reflects."

At least in prose, Byron was by no means a romantic rhetorician; he wrote exclusively "of what he had seen and known," and spoke without exaggeration, without mystery, without enmity, and without mercy." To say that Byron never displays enmity is, of course, a strange mis-statement. Otherwise I can imagine no better tribute to the prosaic aspect of the poet's genius.

# HOW TO SPEND IT

by Lucia van der Post

# Seeing in the dark



A FEW WEEKS ago I featured lighting of the decorous indoor sort—some of it was elegant, some jokey, but all of it was really meant for giving inside rooms a definite sense of style. Today I am featuring lights of a very different sort—these are lights for the garden, lights for the do-it-yourself brigade and lights for campers, caravanners, boating types who go to places that electricity doesn't reach and where the emergencies may be real.

Though the garden lights featured left are all sturdy and meant for more or less permanent installation don't forget that there are simpler and cheaper ways of lighting up garden, poolside or patio for a summer party. There are plenty of candle flares about that are just lit and then stuck into the ground—and very

pretty they look at night, too. Many shops sell them but in particular Practical Styling at Centre Point, 16-18, St Giles High Street, London, WC1, sells two versions—a plain stick-cloth caked in wax, in red, blue or yellow, 27 in long, is 45p (p+p 50p). The same technique, that is stick-cloths caked in wax, can be used to produce pretty flower-shaped candles which come in yellow, orange, green or red, 2 ft long, for 65p. They can be posted for 50p extra.

## In emergencies

ANYBODY who survived the three-day week, not to mention those winters of electricity strikes, will remember well how dependent we all became on immediate, emergency sources of light. We borrowed heavily then from the designs developed for campers, caravanners and the boating fraternity. Here are two classic emergency lights, both developed for the adventurous who like to travel without benefit of all mod cons.

On the left is the Tilley Stormlight, friend of campers, fishermen and farmers since 1919. A classic design, since somewhat refined by Tilley, it is now 14 ins tall by 6 ins across, has a red base and a black hood top, runs on paraffin, £27.50 from any of Black's two dozen branches around the country.

Right is another sturdy light. Made in China the lamp is 16 in tall by 6 in across, runs on paraffin and provides a powerful light, strong enough to read by. Very nice looking in chrome plate and with good handle for carrying it by. £19.95 plus £2.50 p+p from Millett's, well-known for supplying all campers' needs. It is also available from the Millett's catalogue which is available from all Millett's shops and branches of W. H. Smith.

## In the garden

As more and more of us travel and see just what the continentals (with admittedly better climates) do with their gardens and how much more daily living goes on in them, so we British think more and more about how we could adapt the best of these ideas to our own gardens. Lighting is an obviously fertile area for exploration—even on the simplest evening judicious lighting of plants, trees or herbaceous borders can make the verdant outdoors seem somehow part of the experience of those inside the house. On the rare really summery night, of course, when we can wander at will in gardens and beside pools, then lighting becomes an indispensable part of the scene.

The important point here is to make sure that when you're running flexible cable through the garden it should be safely pinned against outside walls and fences so that it can't be accidentally chewed by a dog, tripped over by a human or dug into by a spade. Then make sure to choose sturdy fittings that will resist water, heat and cold. Shown here are several that fit the bill. All are from Mr Light of 275 Fulham Road, London SW10, or 279 King's Road, London SW2, and any of them can be posted for an extra £1.75.

The black rubber gasket holds the glass on and the glass itself is very thick, very tough. Though it is generally used to light up garages, swimming-pools, porches and back doors, those who go for the high-tech look have used it inside, for instance, in bathrooms. It is £24.95 and, like the wall-light at the top, takes an Edison Screw 100 watt bulb.

The two lamps at the top are two versions of the same design—the Par 38. On the left is the wall-mounted version (£5.50—ideal for outside walls, porches and the like) while on the right is the spike version (£7.95). The spike version is probably the most popular basic garden lighting unit—it can be put in bushes, at the base of a tree, in a lawn beside the swimming pool or where you will.

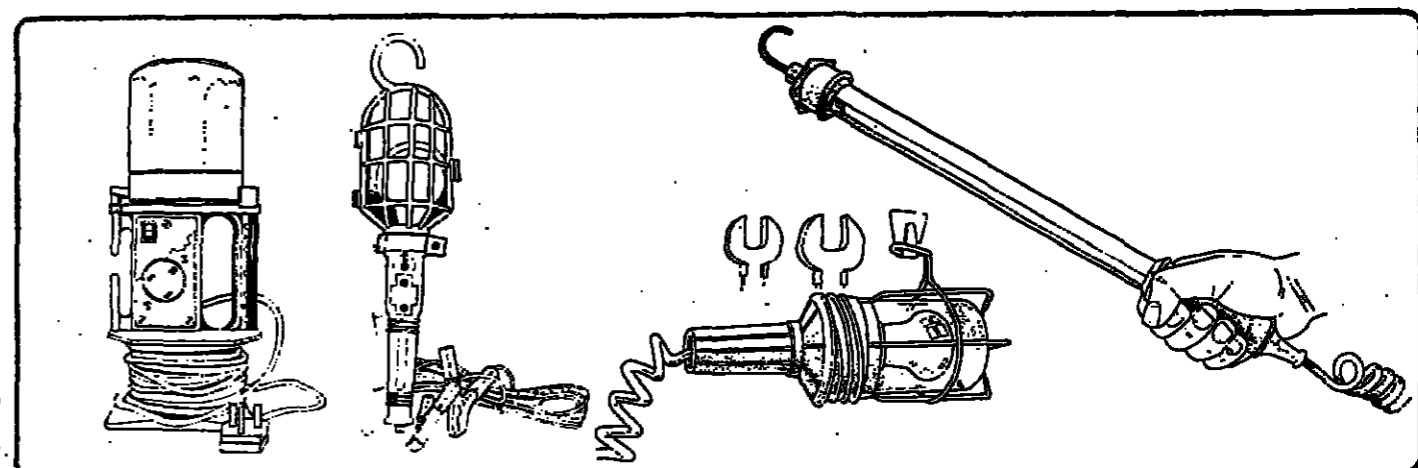
Luckily for those who want proper permanent lighting, of the sort that is weather-resistant and can be turned off at the press of a light switch, there is now a good selection of sturdy lights available and a small selection is shown illustrated above.

For ordinary domestic purposes most people want their outdoor lighting to be exceedingly simple to install and so usually wire it up in the usual way with a plug on the end and then trail it through the window or door into the gar-

Both are made from a black matt plastic which resists extremes of cold and heat and doesn't bleach or crack. Both can be fitted with lamps of either a wide or a narrow beam—use the narrow perhaps to spotlight a statue or a particularly glorious flowering bush, while the wide beam gives more general illumination. The Par 38 100-watt bulbs are extra and cost £2.95 each.

## In the workshop

Featured in the illustration on the right is a miscellaneous collection of lights all of which serve some very specific function. Left is the Brobusta SL from West Germany which comes complete with a 10 metre extension cable and a 13-amp plug. It has a powerful light but more than that, it is a power source as well. A 13-amp plug can be plugged into the side of the lamp thus enabling the user to run a drill, sander lawn mower or what you will from it. The extension cable means it can be used from the house to light up all those dark and dingy areas that are often out of reach from ordinary light at night. It looks what it is—strictly utilitarian in translucent white and black plastic, 12 in



tall by 5½ in wide, it is £15.95 (p+p £1.30) from all AA outlets.

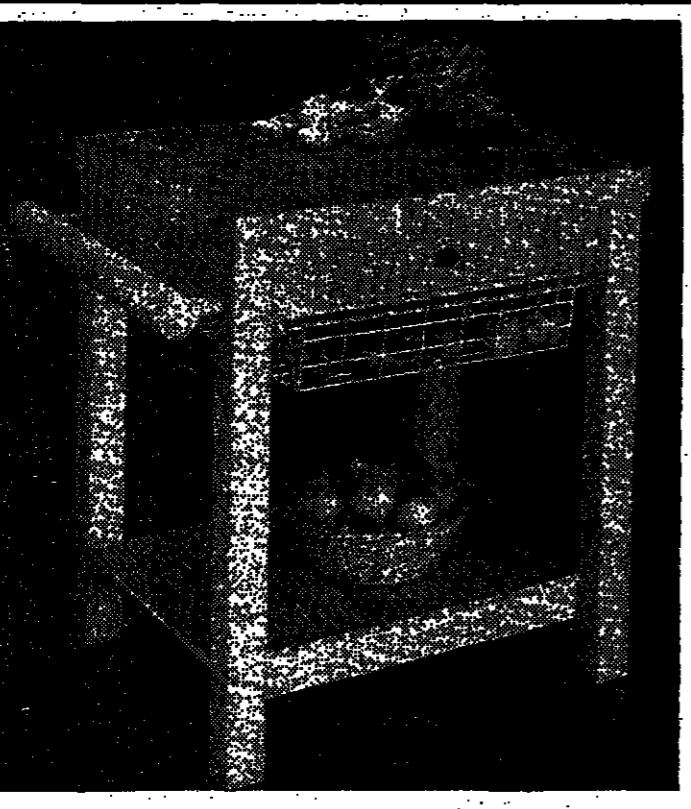
Second from the left is another highly portable light from all AA outlets in the UK. Very light, made from bright yellow plastic casing, with black base and 15 feet of bright green lead, it comes

with a heavy duty 50 watt bulb. Its chief function is that because it comes with crocodile clips attached to the lead it can run off the battery of a car, lorry, boat or motorcycle, thus giving emergency light that is bright and effective. 13½ ins long by 4 ins, it is very good value at

£4.95 (p+p 85p).

Next comes this lamp from West Germany in bright yellow, white, black, silver yellow, white, black, silver tag is that you can move the light source easily by hand to light up specific areas or you could hang it from a shelf. £6.95 (p+p £1.50). from

Practical Styling, Centre Point, 16-18, St Giles High Street, London, WC1. On the right is a very industrial looking light—a 20 ins fluorescent tube which is also completely portable and can be just plugged in and then hung in any position. £10.95 (p+p £1.50). Practical Styling.



## Chop on wood

WOODSTOCK, as a company, is well-known to regular readers of this page. A smallish company, once to be found at Albion Yard, Baffe Street, it has now moved to Pakenham Street, Mount Pleasant, London WC1 but its basic aims are still the same—to produce individually designed fine kitchens of solid wood. No chipboard or plastic mars the surface of Woodstock's kitchens—nothing but the best, the most solid maple, cherry or walnut is used.

Though the basic work is in supplying complete kitchens Alf Martensson, Woodstock's designer, has discovered a need for many single pieces of kitchen furniture and has been busy developing a range of them. Besides supplying solid wood work surfaces by the metre, he has designed and produces solid maple chopping blocks, in various sizes, kitchen work islands and now he has come up with his newest design

## The bank for corporate finance

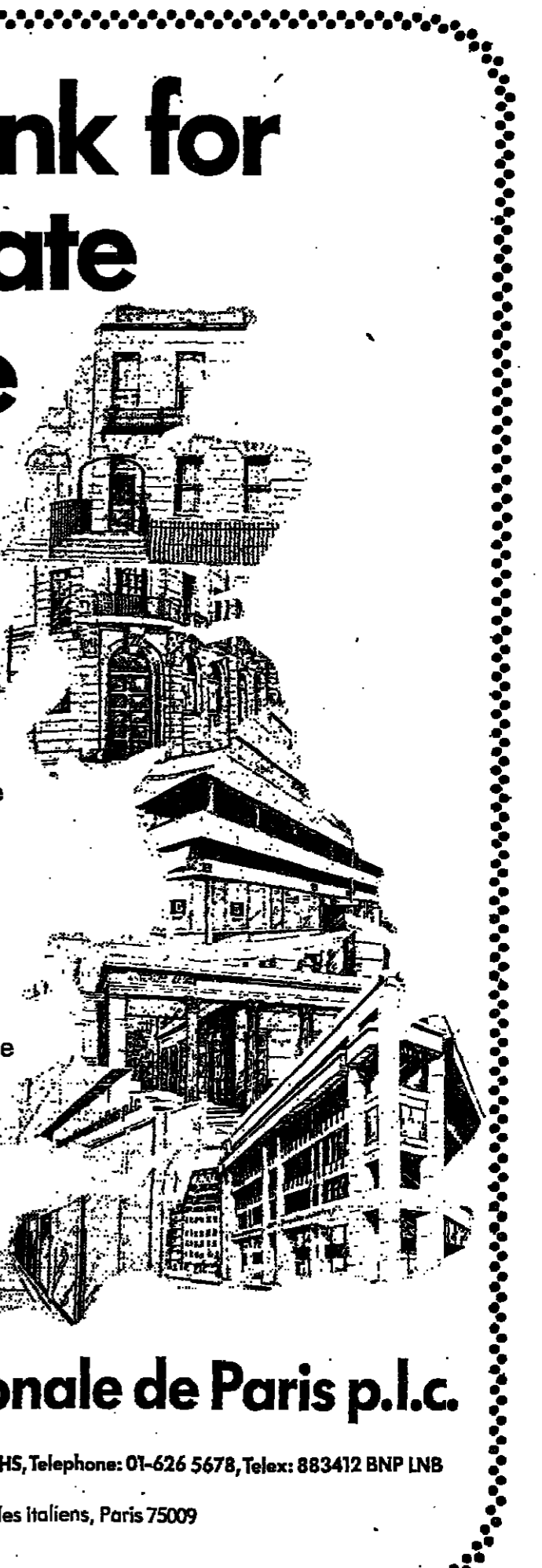
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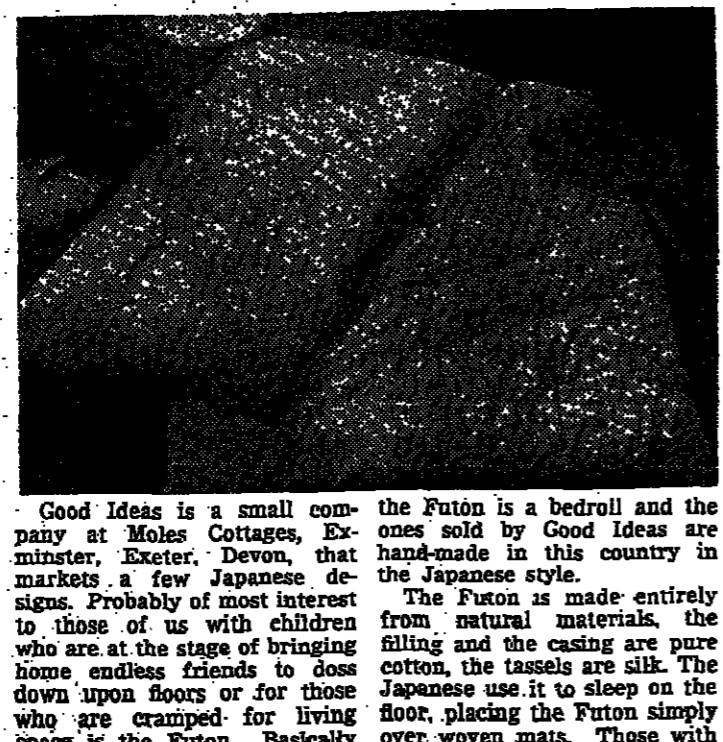
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## Roll and stow

THE Japanese seem to most of us Westerners to be past masters at the art of combining simplicity with sophistication. They manage, for instance, in their interiors, to create cool, uncluttered rooms that never look bare or basic but always have an air of the utmost elegance.

Most of us are so accustomed to our own more cluttered way of life that it is inconceivable that we could ever adapt to quite such a disciplined approach to living. However, for those who live in very small spaces or want to make the most of a very small room there are certain ideas from Japan that we can very usefully learn from.



Good Ideas is a small company at Moles Cottages, Exminster, Exeter, Devon, that markets a few Japanese designs. Probably of most interest to those of us with children who are at the stage of bringing home endless friends to doss down upon floors or for those who are cramped for living space is the Futon. Basically the Futon is a bedroll and the ones sold by Good Ideas are hand-made in this country in the Japanese style.

The Futon is made entirely from natural materials, the filling and the casing are pure cotton, the tassels are silk. The Japanese use it to sleep on the floor, placing the Futon simply over woven mats. Those with

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## Have sound, will travel

IT HAD to happen—after the miniaturised stereo set, now a common sight on airplanes, side-walks, parks and Tubes, somebody had to come up with a miniaturised stereo set with a radio and cassette player attached. The code word for such sets is "personal" and photographed left is Sanyo's contribution to the world of "personal" entertainment—the M-G2. It measures just 4½ ins by 4½ ins by 1½ ins and weighs 10 ounces. It can take metal

tape, is a stereo AM/FM radio and cassette player, has headphones for one or two people and is powered by two standard EP7 batteries or by Sanyo's rechargeable Cadneca cells. With strong shoulder strap, unit holder, battery case and headphones it is £39.95. Just one month old it is going into the shops now—and it at Alders of Croydon; Barkers of Kensington, London W8; Harrods of Knightsbridge, London SW1; the Army & Navy, London SW1 and all Sanyo stockists.

ARTS

War and peace

BY B. A. YOUNG

Before our troops established their beachhead in the Falklands, I reckoned that television was reporting the events better than radio...

Since operations have begun in earnest, radio has become the better source. Both media relay the same news...

Radio coverage of the Pope's visit, mostly on Radio 4, has been admirable...

It's as well the Pope was busy on Monday evening, for even as a fellow-playwright he would have found it hard to approve of Otway's The

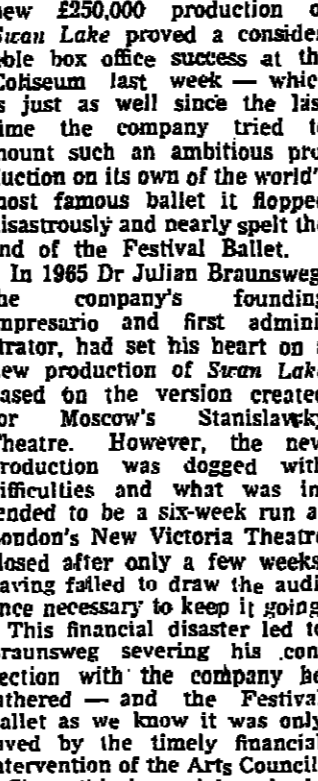
Soldier's Fortune. "In bygone days it was the fashion to be abed at nights with a husband," says Lady Duce blandly...

It's been a good week for plays. Saturday Night Theatre gave us an adaptation by Jeffrey Segal of J.D. Beresford's classic novel The Hampdenshire Wonder...

The merit of the book is the humanity of the characters, except of course little Victor. The Stott parents are played with appropriate modesty by Steve Hodson and Carole Boyd...

Swan Lake avoids swansong

The London Festival Ballet's new £250,000 production of Swan Lake proved a considerable box office success at the Coliseum last week...



Evelyn Desutter in Swan Lake

But what a delightful play it is, and what a good production this was under Martin Jenkins's direction. It was revived on Radio 4 as a tribute to Arthur Lowe, whose sudden death is an irreparable loss...

Given this auspicious background, the Festival Ballet would seem to be tempting fate with its new production of Swan Lake. It premiered last week — especially since the production is the most expensive it has ever mounted...

after the Festival of Britain — but it was not until 1952 that the company first danced in the Royal Festival Hall...

in 1979, however, this strategy came unstuck when a poor London season was followed by an expensive tour to China which, while artistically a success, left the company with a debt of some £25,000...

Diana Ross

BY ANTONY THORNCROFT

I don't hold hands with strangers on the orders of many people, nor wave them in the air to make the world a better place. But I did it for Diana Ross at Wembley on Thursday night...

So she prowled through the audience, seated all around the uplifted stage in the centre of the arena, sitting on laps, encouraging overwhelmed fans to join her in this putting up the house lights to look at us oggling her...

It was a bravura performance. Diana Ross is one of the few pop stars who trails a Hollywood sparkle and is capable of packing Wembley Arena with £20 ticket supporters...

no matter that the band's repertoire is mainly unfamiliar tunes (eg. Casa Perdidio). Que Bonito, Puerto Rico! all sung in Spanish by the leader, she is continually exasperating, somewhat unimpressive constant (who also happens to be his daughter), both of whom are, for most of the time, drowned by the massed forces behind them...

No mistaking, though, that Machito's is the real salsa, the genuine sauce — and source — music, underpinned by a constantly vibrating, polyrhythmic group...

F.T. CROSSWORD PUZZLE No. 4,889

A prize of £10 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday...

Crossword puzzle grid with numbered squares for clues.

- ACROSS: 1 Custom to be in silent surroundings still remains here (6); 2 Pottery of two clubs, say (8); 3 Squeeper of bachelor-apartments (8); 4 Man behind 'The Rake's Progress?' (8); 5 Nae breed tag get upset! (8); 6 Held stocks of pellets to redeem in part (6); 7 Circus performer making an impression (4); 8 Not very well off—roubles sum to be changed (10); 9 He makes a bid or two for the church (10); 10 Cheeky drop in rent (4); 11 Kingship, we hear, made by 4? (8); 12 Tree steady, given this emergency treatment? (5,3); 13 Wherein there may be private room for improvement (8); 14 Fruit served as vegetable, a U.S. dish... (6); 15 ... or a green, perhaps, of French—one turning from party (8); 16 Western supporter of arts inclined to pop? (6); 17 Anti-riot headgear for old-fashioned ladies? (3,4); 18 No cooler construction, according to Lovelace, as way to defend (9); 19 Self-existent like neglected beds (6); 20 Organs of patriotic advancement? (4); 21 Running it one is in the hit parade (8); 22 Rumbling rose I ordered and willow (5); 23 Laughs at the Campdown race-events? (7); 24 Sculptor makes hole in one (7); 25 One cannot recall having it (7); 26 Top gear for carmen, say? (5,4); 27 Familiar lines confessing he is a poet (3); 28 He makes cuts (on the other hand, dear in France) (7); 29 Beast in Russian head-count (7); 30 A hero's undoing, having left the ship (6); 31 Colophony required by those about to bow (5); 32 Kind of loose rock favoured by Chopin? (4); 33 Solution to Puzzle No. 4,888

TV/Radio

Television and Radio programme listings for various channels including BBC 1, BBC 2, Channel 4, Granada, HTV, Scottish, TSW, TVS, Tyne Tees, Ulster, Yorkshire, and Central.

THEATRES

Theatre listings for various venues including The Old Vic, The Royal Opera, The Lyric Theatre, and others, with details on plays and cast members.

COLLECTING

Weird wonders of Majolica ware

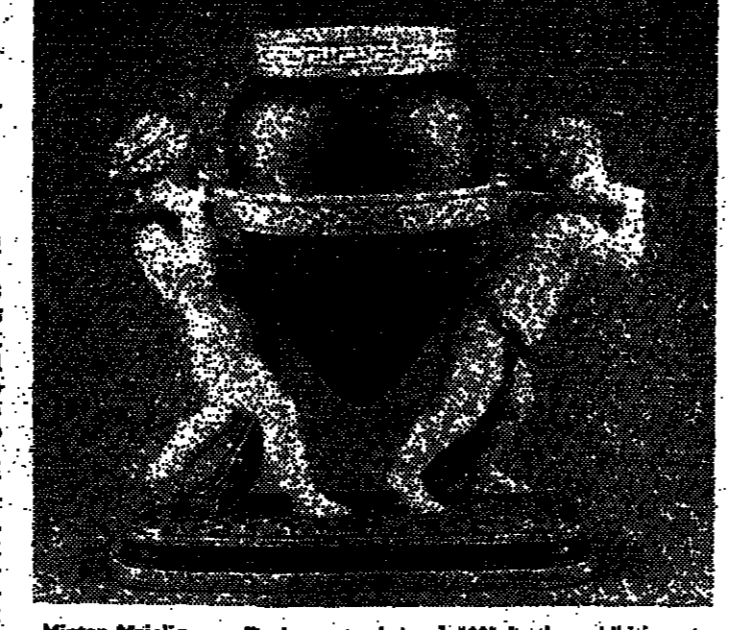
BY JANET MARSH

ONE OF the best-loved lesser sights of London is the pair of massive pottery elephants that have stood for longer than anyone now living can remember in the windows of Thomas Goode and Co. the china merchants in Mayfair's South Audley Street.

They are masterworks of that most quintessentially Victorian ware, Minton's Majolica, and were made for the Paris International Exhibition of 1869.

Many other firms competed in Majolica ware, but Minton's remained and remain unsurpassed. The Minton pottery had been in production since 1795, but its greatest days dated from 1836, when the management passed to the son of the founder of the firm, Herbert Minton—a 19th-century Wedgwood in his combination of science, art, organisation, invention, and ambition.

"Majolica" revived the technique of thick and brilliant tin-glaze whose varying names reflect its historical migrations: "majolica" as it passed from the Near East to Spain and the rest of Europe by way of the island of Majorca; "faenza" as it was established in Renaissance Italy; "Delft" as it



Minton Majolica paraffin lamp stand dated 1881 in the exhibition at Jeremy Cooper Ltd.

tin-glaze armour. Below him were winged victories, heraldic and emblematic motifs, a frenzy of water-jets and palms in huge urns.

ceramists. Minton was himself linked with the artistic and scholarly world of the time, set up an Art Studio in Kensington and contributed to the decoration of the Victoria and Albert Museum with the Majolica Ware architectural decorations which had a great vogue in the later Victorian era and can still be glimpsed on many a London building.

SPORT

From the U.S., Ben Wright makes a rating for the Open Looking at horses for golf courses

IF CHAMPIONSHIPS were always decided on form or on the horses-for-courses theory the majority of British book-makers would have been out of business long ago. But in the post-war history of the U.S. Open championship, for instance, there have been several winners who would have gone to post at a price of at least 100-1 in most books.

In 1947 Lew Worsham was an obvious underdog in his 18 holes play-off against Sam Snead at St. Louis Country Club, but he edged his legendary opponent by a single stroke. Ed Furgol, the man with the withered arm, was hardly expected to win at Baltusrol Golf Club in 1954, especially since the immortal Ben Hogan was defending his title there.

Likewise, Lee Trevino (1968), in beating Jack Nicklaus at Oak Hill, Rochester to win his first ever title, Orville Moody (1969), in winning at Champions Gold Club, Houston, the solitary American victory of his career, and even Britain's pride Tony Jacklin (1970), in walking away from the field at Hazeltine Golf Club in rural Minnesota, were a trio of consecutive, highly priced and perhaps unlikely winners.

Since then Lou Graham (1976), winner over John Mahaffey in a play-off at Medinah Country Club on the outskirts of Chicago and Andy North (1978), who triumphed at Cherry Hills Country Club, Denver, have been distinct outsiders.

and Memphis Classic that follow the Memorial I am basing my form chart on the four weeks up to, and including the Memorial.

Points have been awarded on the basis of 100 for a win, 80 for second place, 60 for third and so on down to 10 for 10th place in the Houston Open, Colonial, Atlanta Classic and Memorial. Those players who have finished in the second half of the top 20 have been awarded five points each. In this table Floyd was first with 180 points, Wayne Levi second on 155, Kite third on 145, Peter Jacobsen fourth on 150 compiled in three of the four events, and Nicklaus fifth on 150.

Of the remainder only Pate, Keith Fergus, winner in Atlanta and Ed Snead, who won in Houston, scored 100 points or more. Significantly, however, Roger Maltbie has earned 85 points in three outings, Peter Oosterhuis 45 in three also. All the rest of the players concerned earned their points in only two weeks out of four.

When the two points tables are combined Nicklaus becomes a red hot favourite in my book with 325 points to second-placed Watkins (200), while Floyd is third on 190, Levi fourth on 155, Kite fifth on 145. Burns and Watkinson both on 125—the latter earned only five points on current form, however, Jacobsen eighth on 120.

Eddery for Epsom double

RACING BY DOMINIC WIGAN

THIRTEEN FILLIES are due to line up for this afternoon's Oaks in one of the most open races in the history of Epsom's oldest Classic.

Just how open the race is can be judged from the fact that neither Willie Carson nor Steve Cauthen feels remotely confident after having to choose between stable fillies. Carson's selected mount, Cut Loose is considered "exactly the same filly" in terms of merit as her stable-companion Swiftfoot by one good judge at West Ilsley, while Barry Hills is not prepared to even try and separate Cauthen's mount Last Feather and the lightly raced Slightly Dangerous.

It was only three days ago that the title-chasing American jockey finally opted for Last Feather in preference to his 1,000 Guineas choice Slightly Dangerous.

Classic double achieved only two years ago by Carson through Herbit and Bireme. It was one year earlier that Eddery landed the Oaks on Scintillate, probably the easiest 20-1 winner of the race ever seen.

In the other big fillies' race of the day, the NMT Ebbisham Stakes, Enthralment trained by Scintillate's handler Jeremy Tree and ridden by Eddery could be the answer. However, she will need to be right back to her best if she is to take advantage of the 10 lbs she receives from Luca Cumanzi's imagination.

For the best bet of the day I turn to Shicklak who looked every inch a high-class year-old in the making when sauntering home from two rivals at Lingfield on her debut.

Table with columns for race name, horse name, odds, and trainer/jockey. Races include Epsom (145-Shicklak, 215-Enthralment, 3-00-Zinzara, 2-35-Hodden, 4-05-Donmore, 4-40-Mon-Ferri-Tyeh), Haydock (2-00-Al Wash, 3-10-Cornish Heroine, 3-45-Indian King, 4-15-Strapless).

A Long Day's Journey into night

VIDEO REVIEW

NIGEL ANDREWS

NOW THAT the video-cassette age has dawned, giving you the power to be your own TV programmer, the aesthetic comparison-contrast possibilities of the medium as a show case for different visual styles are wider and richer than ever.

Eugene O'Neill's Long Day's Journey into Night has my vote as the best masterwork-in-duplicate currently available in the video catalogues. There are cassette versions of both the 1962 film version directed by Sidney Lumet, with Katharine Hepburn and Ralph Richardson topping the cast, and of the televised National Theatre production ten years ago in which Laurence Olivier bestrode the boards as O'Neill's grandiloquent actor-manager father.

Kathleen is the classic version of that old American bugaboo, the warring family. The playwright planted his own Papa and Mama and whisky-prone brother down in a rambling Connecticut house besieged by fog and foghorns and sketched himself in as the consumptive younger brother "Edmund". Although the play uncut lasts almost four hours, it is often ravily repetitive; it casts a thrilling, unbroken spell.

It's a tragedy of human interdependence fogged with day-dreams and self-deceptions: mother is a drug addict who won't admit her addiction, father a great actor mad about who sold out to easy money in a long-running play. And the play is also an emotional "Night of the Long Knives," each of the four principals jabs and thrusts

Director Lumet is better-known for action-packed policiers like Serpico, Dog Day Afternoon, Prince of the City, but he's sunk himself into O'Neill's summer-night inferno and paces the movie like a genius. There are fulsome cuts—

at least an hour's worth since the playing time is 155 minutes—but the overall shaping is kept intact: morning twitterings and politesse, afternoon drowsiness and reverie (with mother pouring out her youthful memories to the maid); early-evening harangues, cut-and-thrust and bold soliloquies, and late-evening delusion-drenched tragedy as mother descends the stairs from her narcotic eyrie to re-live in moonstruck monologue her unspooled days as a convent girl first stirred by romance.

snaps out spite phrases, she makes grief sound like broken glass, she laughs and croons like a girl she hastily camouflages giveaway cris de coeur (or avowals of her deep addiction) with steely cover-up indifference. And her face—with its tear-smearing, eyes and adamant cheekbones—has never seemed both more totem-like and more beautiful at the same moment.

If the monochrome gaunt-ness and movie-distanced feel of Lumet's version give it a mythic tragic grandeur, the TV-from-stage-play version (Precision Video, £47.50), directed by Peter Wood in warm domestic colours and more shimmering videotape, might be unfolding in your own front parlour. Denis Quillley (Jamie), Ronald Pickup (Edmund) and Constance Cummings (Mother) all key their performances low and intimate: as if spun out of some more-sophisticated-than-usual soap opera. But the wild card is Olivier's father: it's at once the unbalancing and the yanking-into-greatness of this production.

Advertisement for 'The Army & Navy Group Cellars Summer Wine Sale'. Features a list of various wine types and prices, including Chateau BOTTLED CLARET, RED BURGUNDY, and WHITE BURGUNDY. Includes the text 'Special Summer Offer of Fine Wines in Case Lots at Greatly Reduced Prices'.

Advertisement for Richard Green, featuring a large image of a classical painting. Text includes '44 Dover Street, London W1T 4AU', 'Daily 10.00-8.00', and 'Exhibition of Old Master Paintings'.

Advertisement for 'The Fine Art & Antiques Fair'. Includes information about the 8th annual fair at the Royal Academy, dates from June 11-19, and a list of participating galleries such as Agnew Galleries, Pinner Art, and Wrightson.

Advertisement for International & British Editorial & Advertisement Offices. Lists contact information for various international offices including London, New York, Toronto, and other major cities.

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Saturday June 5 1982

# The fall of the house of Sebag

By Barry Riley, Financial Editor

## Why summits make sense

**ECONOMIC SUMMITS** are high theatre. Yet there is a well-founded suspicion that they hardly ever result in dramatic economic change. For a start the actors are playing primarily to the audience back at home— even Mrs Reagan's said to be using her present European trip to change her image. And suspicion is reinforced by bureaucratic convention: communiqués written in advance, pomp and circumstance against a stark background of unemployment. The risk is undoubtedly high that the seven-power summit which began yesterday at Versailles will evoke nothing but cynicism from a world that has seen it all before. The problems that the summiteers confront are old, intractable and growing steadily worse. The Organisation for Economic Co-operation and Development expects unemployment to reach nearly 30m in its 24 industrialised member countries this year. The recession, precipitated by the 1979 jump in oil prices, is now being prolonged by high U.S. interest rates which reflect the tension between lax fiscal policy and tight monetary policy in the U.S.

### A dilemma

At last year's Ottawa summit President Reagan predicted that U.S. interest rates would fall. He has proved no exception to the rule that American presidents are dismal forecasters. This week U.S. prime rates stood at 16.18 per cent, while the rate of inflation in consumer prices in the 12 months to April was 6.6 per cent and the annualised rate for the latest three months was a mere 1.9 per cent.

There is scope here not just for cynicism but for summit recrimination, since Western European politicians consequently face an unattractive dilemma. Either, like the fiscally orthodox Chancellor Schmidt of West Germany, they can raise their own interest rates to prevent a capital outflow that would depress their exchange rate and fuel domestic inflation; or, like the fiscally unorthodox President Mitterrand of France, they can host the conference with a sinking franc providing disconcerting noises off.

The ever-increasing risk of a trade war gives rise to similar doubts about the uses of summit meetings. Most of the OECD countries' growth over the past year has come from exports. But foreign demand is now petering out, partly as a result of high interest rates which make it harder for countries to borrow to sustain growth. Seven leading industrial countries in search of export-led growth could all too readily find themselves at loggerheads, despite the urgent need for agreement on export credit subsidies and other measures of liberalisation.

The chief areas of sensitivity here are the current account imbalances between Japan and the European Community, and between Japan and the U.S. Japan's pre-emptive strike involving a package of liberalisation measures designed to open its market marginally more to everyone else's goods will not give complete satisfaction. Without a marked change in domestic economic policy in Japan, the Japanese tendency to surplus will not be easily remedied. Nor will the Japanese peace offering satisfy an instinctive economic nationalist like President Mitterrand. The economic views of the host at the summit are firmly rooted in the mercantilist tradition of Colbert, finance minister of the Sun King for whom Versailles was built.

The expected call by President Reagan for "convergence" of economic policies designed to achieve higher employment, lower inflation and higher growth may ring hollow with the cynics. A new economic slogan, symbolic commitments to chew on problems such as currency instability, East-West trade and the excessive debts of the Third World will not loko very credible. Yet the summit process should not be written off as worthless, for there is as much value in the things that summits prevent as in the tangible proposals that they throw up.

Economic policy in the industrial countries is affected by a whole range of pressures, both domestic and external. Summits impose some of those pressures: it forces occupied with national concerns to think more seriously about the wider consequences of their policies and to justify themselves to their fellow leaders.

### Cynics

Summits also imposes a discipline on bureaucrats and politicians. It pushes them into proposing initiatives, such as the new American proposal for international guidelines on foreign investment. Commitments at the Tokyo and Venice summits contributed towards loosening the link between oil consumption and economic growth.

What, then, of the dogs that didn't bark? At the time of the first economic summit at Rambouillet in 1975 a cynic might have argued that summiteers were fiddling while the Western economic world burned. Yet the world has not seen the slide into protectionism which a pessimist might then have expected.

It would be unwise to raise expectations for a very positive outcome from the Versailles meeting. But if the participants are seen as some future date to have administered salutary preventive medicine by less spectacular means, so much the better for us all.

JUST 10 years ago Joseph Sebag was one of the largest and richest of all the firms of stockbrokers in the City of London, probably ranking behind only Cazenove and Rowe and Pitman. These two firms are still among the giants of the City, but Sebag has suffered a decade of remorseless decline that culminated in yesterday's announcement that it would cease trading at the close of business last night. Parts of the business will continue to operate under the umbrella of another big firm, Griesevson Grant. But the once-proud Sebag name has been scrapped and the firm, which traced its history back 177 years, has closed.

The decline and fall of the house of Sebag is a fascinating tale of how a reputation can be lost, and of how loosely managed broking firms can encounter problems of leadership and organisation which they cannot handle—leaving them in the grip of an apparently irreversible downturn.

In a very real sense Sebag—which became Carr Sebag after a merger in 1979 with the medium-sized firm of W. I. Carr—is a belated victim of the collapse of Slater Walker and other secondary financial operators in the mid-1970s. For although Sebag survived the banking and property crash of 1974 and 1975, its goodwill among the investment community had suffered serious damage.

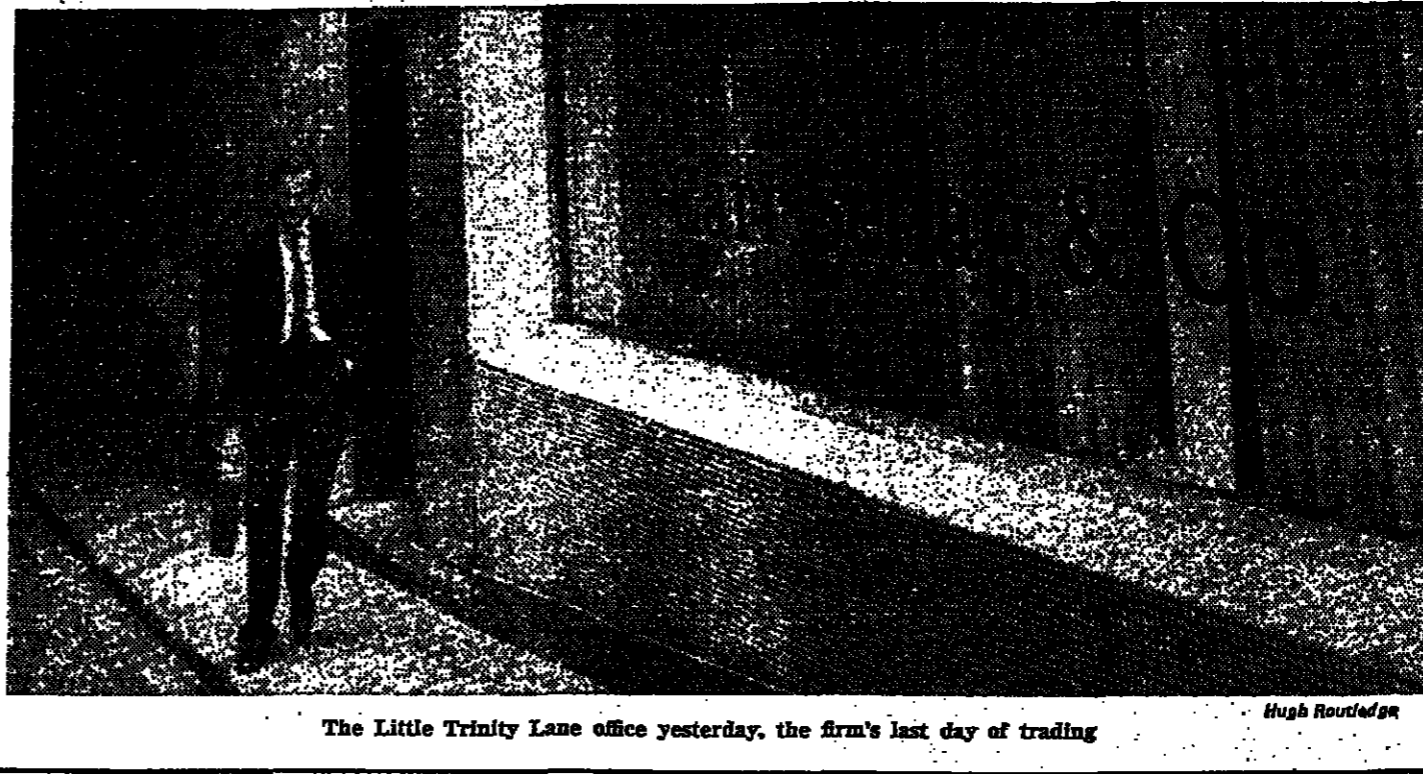
At the beginning of the 1970s Joseph Sebag was making the most of his profitable connections with secondary financial concerns. The best known of these was Slater Walker. On one estimate, Sebag at one time derived a quarter of its equity business from dealings involving the shares of Slater Walker and its numerous associates.

But even then, there were signs of unease within the firm.

### An apparently irreversible downturn

In 1971 a relatively young partner, Mr Robin Muir, was appointed to the senior partner's position with the objective of redirecting the firm on to a more healthy course. Unfortunately, Mr Muir died prematurely in 1972. The mantle of leadership passed to Mr David Eastham. Most observers now argue that Mr Eastham was the wrong man for the job. Despite his considerable talents on the corporate finance side of the firm, he was not successful in pulling together all the resources within Sebag and reshaping the firm to fit the changed circumstances of the second half of the 1970s.

Stockbroking is not a simple business, but consists of a series of specialisations. Private client business is usually handled separately from institutional business—and equities are traded separately from gilts. Some brokers (and Sebag has



The Little Trinity Lane office yesterday, the firm's last day of trading

always been a notable example) have had an important corporate finance side—they represent companies, and take part in the organisation of new issues. Other specialisations include overseas equities and fund management.

Serious conflicts of interest can develop between different sides of a big stockbroking firm. For instance, the corporate finance partner may wish to promote a share issue which is not liked by the institutional equity salesman (who will usually be working closely with a research team). It can be a delicate balancing act to reconcile the interests of corporate and investment clients.

Mr Eastham took over at an awkward moment. The stock market boom was peaking out. The glamour was going out of the secondary financial sector. New issues, like that of Slater Walker's notorious Dual or "Dustin" trust which included the shares of many Slater associates, began to flop. The clients who had been so pleased to pile into Sebag's host of speculative financial situations began to complain that they had been "stuffed" with overpriced stock.

By the time the stock market had entered the downward spiral of 1974, and secondary financial companies were crashing all around, Sebag's reputation was suffering. A remarkably vicious whispering campaign began in the City, day after day it was rumoured that the reason for the slide in the market was that a major firm of brokers was in financial trouble—and everybody knew that the firm in question was Sebag.

So persistent were the stories that one day in the summer of 1974 Mr Sandy Gilmour, a leading corporate finance partner at Sebag, invited me, as a representative of the Financial Times, to look at the books. To an outsider a stockbroking firm's ledgers mean little. But certainly Sebag appeared to have healthy cash balances,

and indeed its solvency was not in question (though later it transpired that the partners endured some anxious months over the safety of large deposits with the Slater Walker bank, before it was eventually rescued by the Bank of England).

With the stock market's recovery in 1975, and a subsequent boom in rights issues, the firm entered a somewhat healthier phase, but its underlying problems had not been properly tackled. Internal disputes rose to the surface again in 1979, when the firm's profits came under pressure, and Mr Eastham resigned a little before

"The two firms are so complementary that it is quite extraordinary," said Mr Gilmour at the time. In fact, almost from the very beginning the merger ran into serious problems. It was soon discovered that Sebag's arbitrage operations in South African gold shares had made far bigger losses than anybody had suspected. The former Sebag partners were required to put up extra capital in order to compensate the former Carr partners. The merger of the private client businesses of the two

fore the normal retirement age of 65. The firm's partners then decided upon drastic action to pull Sebag out of the downward slide. In September 1979 Sebag merged with another, unaffiliated firm of brokers, W. I. Carr, which had done well overseas—notably in Hong Kong—but had difficulty in maintaining profitability in its London business.

But the lack of co-ordination was symbolised by the decision that the merged firm—called Carr Sebag—would have no fewer than three joint senior partners. Two came from Sebag—Mr Gilmour and Mr Michael Boyd-Carpenter, a gilt-edged expert. The third (though in no particular order of seniority) was Carr's Mr Roddy Macleod. The concept underlying the merger was that Carr's overseas side and private client business would mesh neatly with Sebag's strengths in corporate finance and gilt-edged.

WICO. Outside sources of financial support would have been sought.

But in the end the partners were persuaded that they would be unable to push such a scheme through the opposition which would have been encountered on the Council of the London Stock Exchange. Ironically, the Stock Exchange announced only this week that it has relaxed the rules on outside participation in the capital structure of member firms. Facing a steady slide into insolvency in their London business, the Carr Sebag partners finally decided that they would have to sell WICO. The buyer they found was the money broking group Exco International, which has paid some £3m.

### A remarkably vicious whispering campaign began in the City

everybody knew the victim

was then hit by a serious technical mishap. All the records of Sebag's private clients were lost when tapes were wiped in the process of transfer to Carr's computer. Because of these mistakes, large numbers of staff were absorbed for several years in sorting out the mess, and the financing of the arbitrage positions required large bank borrowings at a time of very high interest rates.

Yet there was still one jewel left in Carr Sebag's crown. The Hong Kong stockbroking business, W. I. Carr Sons and Co. (Overseas), generally known as WICO, was prospering—it made profits of some £1.25m after Hong Kong tax in the year ended March 1981.

The Carr Sebag partners began to explore radical ways to cure their problems. One scheme being floated last autumn was the setting up of a Hong Kong-based holding company which would have controlled both Carr Sebag and

order to prop up the ailing London operations?

In the event, the decision has been taken to wind the business up. Griesevson Grant is to buy the corporate finance and private client sides for something less than £1m, taking on only about 70 of Carr Sebag's more than 200 personnel. Carr Sebag itself is no longer trading, and outside accountants are now moving in to sort out the mess and count up what may be left for the partners.

The demise of Carr Sebag comes about a year after the hammering of another sizeable firm of stockbrokers, Hedderwick Stirling Grumbar. Both events point up the vital importance of an effective management function if stock market firms are to develop and prosper over a sustained period.

Such firms are normally partnerships, though they are sometimes set up in corporate form. Nowadays partnerships may be very large—sometimes running to 40 or more—and there can be acute difficulties in persuading such a group of talented, articulate and usually wealthy individuals to pull together in some kind of union.

Unlike a company, which can hire new management from outside if necessary, a partnership is for most intents and purposes a closed structure which must continuously renew itself at the top by attracting new young partners.

If there is no management talent within the firm, it will be hard to attract executives from outside at a senior level because an executive who is not a partner can carry little authority. And good people are unlikely to wish to risk their capital by becoming partners in a firm which is in trouble. So a large partnership carries with it a real risk that beyond a certain point a decline in its fortunes may prove impossible to reverse.

The sad experiences of Carr Sebag will remind other stock market partnerships of the risks they run. And it is unlikely that any firm will try to set itself up with a triumvirate of senior partners in the future: a firm that cannot decide on a single senior partner is likely to be no more successful at coming to a range of other management decisions.

Traditionally, stockbrokers have prospered on the basis of salesmanship and entrepreneurial flair. Such talents made Sebag's partners very rich in the 1960s and early 1970s. But to day the Stock Exchange needs to adapt to a quite different environment which before long could bring negotiated commissions, and a widespread pattern of shareholding links with outside institutions. The internal management structure of stock market firms will have to change accordingly.

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### A reminder of the risks that are run

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## Letters to the Editor

### Accounting

From Mr R. Ashworth  
Sir—Lex's views (May 27) on the merits of current cost accounting are, like CCA, confused, confusing, and highly subjective. It is curious and dismayingly to find a sector of the accounting profession—the real "flat earthers"—advocating a return to the highly unsatisfactory situation that existed before any SSAPs were issued. The demand was for "accounting standards" as an escape from subjectivity, and with the exception of SSAP 16, all the other SSAPs (e and oe) aim to establish objective bases for the preparation of published accounts. It must be right and to say "subjectivity is preferable to false objectivity" is utter nonsense; subjectivity is false objectivity, and this is what CCA promotes.

Many of us are opposed to SSAP 16 dislike it, I suspect, not because they wish to stop the flat-earthers fantasising as to the number of white elephants propping up their accounts, but because in so doing they seem to wish to deprive the rest of us of the objective data—which is almost certainly susceptible to different interpretations.

The right course must be to ensure full disclosure of the historical cost accounts, together with sufficient analysis and detail to enable CCA accounts to be prepared. This should not, of course, preclude directors from submitting their accounts—as an appendix. R. F. Ashworth.  
53, Half Moon Lane, Dulwich, SE24.

### Traffic

From the Chairman, London Region Roads and Transportation Committee, Confederation of British Industry  
Sir—Sir Peter Masefield (May 25) illustrates clearly London Transport's almost impossible task of providing an efficient

bus service in the face of the capital's ever increasing traffic congestion.

In our evidence to the House of Commons transport committee last year, we noted that a 3.1 miles per hour increase in average daytime off-peak traffic speed in Greater London would produce resource cost savings of some £375m per annum. Some modest road improvements would be required but by far the greatest part of this saving could be achieved by strict enforcement of existing traffic management regulations.

We suggested that draconian measures should be taken against illegal parking and have more recently supported the experimental introduction of wheel-clamps. It is our belief that the public would recognise such measures as a reasonable price to pay for an efficient over-ground public transport system and faster traffic flow.  
T. A. Donnelly,  
Centre Point,  
103, New Oxford Street, W1.

### Assets

From Mr J. Hemingway  
Sir—I refer to your report (May 26) that plans are afoot to sell British Airways' profitable subsidiary, International Aeradio (IAL), by limited tender to 30 multi-national companies. This method has been chosen in order to avoid the accusation of profiteering by speculators which accompanied the Amersham issue.

At least in the case of Amersham the pricing error was revealed by the subsequent price, but in the case of IAL it seems that the possibility of underpricing is to be veiled by the expedient of avoiding a freely determined price on the Stock Exchange. In other words, if justice cannot be seen to be done, steps must be taken to ensure that it is not seen not to be done. If there is to be a tender issue, why should it be a limited tender with the suspicion, however unfounded, that there could be informal collusion among the tenderers about

the price at which they can pick up public assets? The tender should be open to all, so that private individuals, whether we regard them as speculators or contributors to pension and life funds, should have an opportunity to retain an interest in what now belongs to them qua tax-payers. Only in this way will a fair and open price be established for public assets.  
J. Hemingway,  
34, Beaumont Avenue,  
Richmond, Surrey.

### Default

From the Chief Economist, Export Development Corporation  
Sir—Mr David Lascelles (Lombard, May 14) wonders "Who could have predicted only two months ago that Argentina would so suddenly be propelled to the brink of default?" Any junior country analyst having looked at Argentina, noted the drastic devaluation from 2,000 pesos per dollar to more than 12,000 pesos per dollar, the increase in inflation, the doubling of the budget deficit and the turnover of five Presidents and three Economic Ministers in 1981, would have safely predicted two months or even six months ago that Argentina was on the brink of default.  
F. P. Jeanjean,  
110, O'Connor Street,  
Ottawa, Canada.

### Cheques

From Mr P. Frazer  
Sir—Mr Whalley (May 27) is puzzled by the reports that it costs the Co-operative Bank much less than the major clearing banks to clear a cheque. (Figures of 20p a cheque for the Co-operative Bank against 40-50p for the other banks have been widely quoted.) His suggestion, that falling clearing volumes are leading to higher unit costs for the major clearers, is on the wrong track. Clearing volumes have

been rising steadily despite the recession. The actual explanation is much more prosaic. The figure of 40-50p relates to the total processing costs from the time the cheque is paid in at one bank to the time it is debited to the payer's account—more often than not at another bank. In other words, it covers the costs of both banks involved. The figure of 20p quoted for the Co-operative Bank appears to relate solely to its own part of the transaction.

What is true is that the Co-operative Bank has a great deal of under-utilised capacity in its clearing centre, which may help to explain its willingness to handle Abbey National cheques. Patrick Frazer,  
Banking Information Service,  
10 Lombard Street, EC3.

### Drugs

From Mr R. Godfrey  
Sir—Mr Warburton's letter (May 27) on possible savings to the NHS through the prescribing of generic rather than branded pharmaceuticals, is shortsighted in two significant respects; one ethical, one commercial.

He assumes, erroneously as many in the medical profession have unfortunately discovered, that a generic product is the therapeutic equivalent of its branded counterpart. Too often it is not and the research "tinkering" that he refers to has resulted, over the years, in material (if unheralded) advances in many basic compounds.

The medical profession is already free, if it so chooses, to prescribe generic medicines. That in very large measure it does not do so, is an indication of that profession's opinion of Mr Warburton's point of view. There is still something to be said for knowing what you are buying and, if need be, having recourse to an established manufacturer who has a reputation to keep. The substantial net contribution that the British pharmaceu-

tical industry makes to this country's balance of payments is overlooked. The UK represents an exceedingly small part of the world's pharmaceutical market and yet the prices that obtain here are frequently (and increasingly) used by overseas health authorities as the determining factor in establishing export price levels. For every pound saved by the NHS in the downward movement of pharmaceutical prices here, untold pounds are eventually lost in export earnings. Our pharmaceutical industry already faces considerable orthodox (and some very unorthodox) competition around the world and can well do without no doubt well intentioned but totally misguided sniping. R. J. Godfrey,  
12 Sydney Street, SW3.

### Maintenance

From Mr J. Eedle  
Sir—On May 24 you reported the views of a pressure group seeking to abolish the payment of maintenance to divorced wives and to substitute a single financial settlement.

While children are still at school this may not be feasible; their mother is likely to be virtually unemployable by reason of the length and number of school holidays and the addition of days or weeks off if a child falls ill. When that phase of the family life is over, however, a final settlement would presumably seek to place the wife in a similar financial position to that of her single sister who has at all times worked outside the home. The wife (now probably in her 40s or 50s) will need to be given a modest-sized home, fully paid for and, if she is able to find a job, she must also be given an income which will bring her pay up to the level of income earned by the single woman whose experience has earned her promotion to a senior position after 20 or 30 years of work. This means a realistic slice of capital must be invested for the divorced wife's benefit: an alternative to maintenance payments.

The logical outcome appears to be a matriarchal system of holding property and capital. Under such a system the husband would simply hang up his hat in whatever home his second wife already had (whether she was previously single, widowed or divorced).

The system might be thought to lessen the dignity and status of men, although it could also ensure some inheritance passing to the children of the marriage through their mother.

In view of the high rate of divorce and the financial distress of many one-parent families, it could be an improvement to change to a matriarchal society, starting with special education for girls in property and finance and ensuring, if possible, that all women hold capital and sole-name bank accounts and have the numeracy and economic sense to make good use of them. J. Eedle,  
35, Stithall Gardens, W4.

### Railways

From Mr A. Scott  
Sir—I think the rail unions are dependent upon politicians for funding and many of those want either a less costly, efficient railway or, failing that, a slimmed-down system. It is not much use striking against those with the funds if they are not too concerned either way. From their point of view, it is better for the railway to contract by self-inflicted injury and lack of funds rather than get blamed for contracting it by decree.

As usual, those who use the railway will get all the aggravation. They would like more investment, but it does not help if when it comes the unions will not allow it to be used to its best advantage. I do think that a smaller more efficient workforce should be better paid. Electrification of the east coast main line is not a contentious issue and should proceed. A. H. Scott,  
102, Beeches Road,  
Chelmsford, Essex.

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Britain now has more home video shops than bookshops. Arthur Sandles looks behind the revolution

# The explosive growth of video rentals

STAR WARS, financially the biggest thing the big screen has ever seen, will be released on video cassette and disc next month. If the video business needed any confirmation of coming of age then this is it.

The release of an initial 20,000 copies, will probably help the home video cassette market to edge its way past cinema in terms of public entertainment spending by the end of the year. By then there may be approaching five million video cassette recorders and disc players in use in the UK and well over 10,000 retail and rental shops eager to provide films for their users to see.

The video revolution has taken longer to arrive than many pundits of the 1970s suggested, but its impact on the home entertainment market has, once begun, been more rapid than expected. Only 18 months ago the cassette market was tiny, fragmented and heavily dominated by pornographic material.

So enthusiastic has the British market been in its rush to home video that observing Americans have been surprised. "Ideas masses turn to TV, ticket sales lonely," says the bible of show biz, Variety. "Excitement in self-destruct." It screams about the plight of UK cinemas. "UK takes to home video like a duck to water."

It is certainly true that as the cinema emerged from its worst recent year, video shops have been opening at an explosive rate. A top film can be rented for £1-£2 a night while a cinema charges £2-plus for one seat.

It is becoming normal now for films to be released simultaneously in both cinema and cassette. *Chariots of Fire* is an example of one that has done spectacularly well in both forms. At the moment *Chariots* is riding high in the cassette top 20 rental lists, which means there are certainly 10,000 legal

copies around and probably far more than we did not know about.

In the charts of Video Business, the industry's paper, *Chariots* is followed in popularity by *Waterbury Dawn*, *Lord of the Rings*, *Private Benjamin*, *Mad Max*, *Time Bandits*, *Friday the 13th*, *Ghass of the Titans*, *Any Which Way You Can* and *Every Which Way But Loose*—in other words, no pornography and only one violent film by today's somewhat liberal standards.

But only recently has any real pattern of the way in which the market is going begun to

## Video shops opening at an explosive rate

emerge. Video may be bigger than it was, but it is still the domain of the small trader and the entrepreneur. Firm figures are hard to come by. Outside the major television rental chains there are few video retailers with more than two or three shops.

There are at least 200 video distribution companies, with the film groups like Thorn-EMI and Twentieth Century Fox along with giants like the John Bendor-Bentley-founded Intervision at one end and tiny one or two man bands at the other. And video wholesalers have sprouted throughout the country, including in their own private wars.

Thorn-EMI, ideally placed to exploit the market with both film stock and retail outlets to hand, was among the first to leap into the fray, but even it admits that "it has been a learning process. There was so

Some of the smaller players who jumped into the battle early, particularly at the retail end of the market have hit problems. Cynics in the trade say that video retail outlets, which now outnumber bookshops, are closing at much the same rate as new ones are opening. The cost of keeping in the business is high and the competition fierce. "Many of them find they cannot get the return," says Alan Kaupke, a youthful ex-EMI record man who is now almost an industry veteran after a lengthy spell with Fox and now with an aggressive new production and distribution organisation, Blix.

Potential retailers can expect a cool reception from bank managers these days as the stakes rise and the competition gets more sophisticated. A reasonable retail outlet will cost £2,500 to £5,000 a year in rent and refurbishment will add, say, £2,000 to that. A good comprehensive stock of tapes is unlikely to cost less than £15,000, although a modest start might be achieved with £9,000. It is no game for the over-enthusiast.

Ex-financial analyst, publisher and more recently tour company owner, Roger Coghill is plunging some of the proceeds of the sale of his Montem retailing company into video retailing and distribution. By the year end his Atlantis operation will have five outlets—big by present video standards. Coghill, who is willing to invest heavily in décor and stock, is the sort of operator who is putting pressure on both the original corner shop entrants and the television rental chains.

"You can get into business more cheaply if you buy pirated tapes," says Coghill, but customers get tired of bad quality and turn elsewhere.

With rental now 90 per cent



Still a major force: big screen moneyspinners C3PO (left) and R2D2 in Star Wars new look set to conquer the small screen when the film is released on video

of the market leaving relatively little for the straight sales business the loyalty of customers is crucial. Coghill, who rents for £1.50 for three days, says he has been astonished by the rate of viewing by many customers. "I never expected such an uptake," he says.

The average Atlantis club member is taking 3.5 feature films a week. "We did not realise that in any family there are different markets. Mum will want *Endless Love* (the current Zeffirelli tear-jerker), Dad wants a tough adventure film (there are two Clint Eastwood films in the top 10) and the children are looking for cartoons."

If pornography is on the wane, violence is very much on the upswing. Wholesaler Global talks ominously of the more brutally violent films selling particularly well to retailers in depressed areas, such as Brixton and London's East End. It was the East End which saw the video boom really take off in the first place, fed to a large extent on pornography, violence and pirated feature material.

Coghill warns against an over-emphasis on violence, however. "You must remember that much of this material cannot be seen elsewhere. It is not in the cinema and never on television." Thus all the sales are concentrated on video.

The growth of this sector of the market, films which are often run off in the video factories of Holland and Hamburg, has alarmed the industry sufficiently for it to impose a ratings scheme. With an increasing number of police raids taking place on video outlets retailers will be warned by a double or triple X-rating that they are stocking material which invites the attention of the authorities.

Some distributors even put out two versions of films which might cause trouble, one more explicit than the other, and allow retailers to choose. Video magazines are now putting their porno and violence sections in pull-out form so that they can be kept away from the children. At least nine video publications are sufficiently in demand to be granted space on some W. H. Smith shelves.

The other major worry for the trade has been piracy. An April judgment which forced a pirate into £750,000 damages has been greeted with applause in the industry. It had been selling stolen versions of *Superman*, *Chariots*, *10*, and *Kentucky Fried Movie*, among others.

Piracy is extremely difficult to control and detect, although the British Video Association now has its own policing system as do many of the individual companies. Probably the most determined is Warner Home Video, which puts a special mark on its products detectable only under infra-red light. Retailers watch in nervous alarm while the Warner salesman sweeps their stock with his little lamp searching for the pirated films. Few other companies go to such lengths.

It is an indication of the early stages in which the industry finds itself that there has been a great deal of to-ing and fro-ing between retailers, distributors and wholesalers over trade relationships. Distributors have

tried various ways of keeping control over their product once it has left their shelves but most, with notable exceptions such as Intervision, have given up the task.

The usual practice these days is for the distributor to make an outright sale of a tape to the retailer, usually around £30 for a feature film but sometimes as high as £44, and for this fee to include a "surcharge" to cover royalty payments for artists, musicians and producers who may still have a financial stake in the production. The retailer is then free to rent the film as he pleases.

Distributors are a confusing mix of film companies and entrepreneurial spirits. They own

## Piracy now a major worry for traders

the film either because they bought the cassette rights. There are probably 250,000 film titles available for eventual rental to cassette users, but even large wholesalers only stock around 3,000 titles and the average retailer less than 300. The room for newcomers to buy rights is still considerable.

The wholesale industry has grown simply because it is easier for the average retailer to deal with one or two major distributors direct, and with a wholesaler for the bulk of his material.

Several major groups have leasing systems of various sorts—Fox, Disney and RCA are among them—which give the retailer a film, or a collection of films, for a specific period. So popular is *Star Wars* ex-

pected to be that Fox is putting the film out on a brief three-month lease basis for which the retailer will pay £30. Six months is a more normal limit. The film will be on outright sale in time for the Christmas market.

In order to maximise returns on these levels of investment retailers usually turn to the formation of clubs in order to get some form of assurance of consumer loyalty. Club membership seems to be based on a need on the part of the retailer to confirm credit worthiness (the tape, after all, is valuable) rather than to provide the cash. Initial high club membership levels, perhaps as much as £50 or £75, have tumbled to a more usual £20 once and for all returnable fee, the production of a credit card, the holding of a television rental agreement or, in some cases, no money at all and simply proof of residence.

Few clubs can operate on a membership of less than say 2,000 and reckon to be really successful unless members are particularly intensive viewers. The biggest club of all, Thorn-EMI's Video At Home, has 250,000 members nationwide and is probably the biggest single outlet for pre-recorded tapes in the country.

If there are two certain things about the video market they are that over the next year or so it will both grow and change. Industry relationships will doubtless continue to adjust to new market demands and the stampede of newcomers into the marketplace will doubtless continue space for the moment at least. And next December, with the aid of *Star Wars*, will probably prove to be the first festive month when more money was spent in the UK on video tapes and discs than on cinema tickets. Then the small screen really will be a big boy.

## Weekend Brief

### Latest tennis prodigy

The likeness is uncanny. He looks for all the world like a carbon copy of Bjorn Borg; not physically (though there is the same gaunt Nordic look about the sharp features), but in the way he hits the ball. The forehand hit with semi-Western grip off an open stance slices with the same dipping top spin, the two-handed backhand flicks the ball away with the same cunning disguise to impossible angles.

But suggest to 17-year-old Mats Wilander (pronounced Veelander), the latest Swedish prodigy, from the small Southern town of Vaxjo that he has copied the maestro and you get a sharp retort: "I was hitting my double-handed backhand before I ever saw Bjorn play," he insists.

His father Einar works in an air-conditioning factory and is a keen local tennis player who introduced Mats to the court when the lad was seven years old and mad about soccer and ice hockey. To this day he follows the fortunes of Arsenal via the English League matches which are televised weekly in Sweden. Vaxjo's soccer team, the Oster Club, have been Swedish champions in 1978, 1980 and in

### Taken for a ride

Jeepney riding is one of the cheaper, and more daring, pleasures of life in the Philippines capital of Manila. But life among the world of the Jeepneys has suddenly taken on a sour note. As the storm clouds of the local typhoon season sweep the region (one of my own flights was struck by lightning so the swirling winds of an industrial dispute run through Manila).

Jeepneys are the colourful Filipino version of that ubiquitous equatorial mode of transport, the jitney, or what are



17-year-old Wilander of Sweden defeating Lendl in Paris this week

show exceptional promise with a raquet.

Victory in Sweden's under 14 Donald Duck tournament parallels the progress of Bjorn but the record collection of 11 European Junior titles (under 14, U-16 and U-18) surpasses the champion's tally.

"Although I did not copy Borg's style, I was influenced by his success," admits Mats. "He was my hero when I was a junior."

A revealing remark, because Mats is still a junior. He will not be 18 until August 22. But mentally he is even more mature than the boy Borg. His remarkable victories over Ivan Lendl and Vitas Gerulaitis and Jose Luis Clerk to reach the final in Paris this week reveal a composure and competitiveness that are extraordinary. In Rome two weeks ago he squan-

dered a winning lead in the semi-final against the eventual winner, Andres Gomez of Ecuador. Inexperience and fatigue were responsible. But he had come a long way from last year's Wimbledon when he reached the third round of the Open singles with victories over John Austin and Henri Lecoste before the bright young Australian John Fitzgerald, beat him.

The astonishing climb up the ATP computer ranking from 253 at the end of 1980 to 69 last December, and 19 now, has been aided by the establishment last autumn of a four-man Swedish squad sponsored by the SIAB building company with £200,000 over the next two years. Under the shrewd management of the 1978-81 Davis Cup captain John Anders Sjogren the young Swedes, Anders Jarryd (aged 20 and

ranked No. 2 nationally, Joscin Nyström (19) the 1980 Orange Bowl champion, and Hans Simonsson (20) the doubles expert, have been setting new standards of achievement on the pro circuit. These four will represent Sweden in the Davis Cup match against Russia this year. They won 4-1 in Stockholm.

Mats is refreshingly amazed by his recent successes. But beneath the friendly exterior is the same burning will to succeed that all embryo champions possess. Girlfriend Annette Olsen was in Paris with him last week but returned to Sweden when the serious business began. Doubtless he has learned from Borg that single-mindedness is everything. The next few months will prove fascinating in assessing his likely final place in the tennis firmament.

### The tell-tale heart?

Amid the daily welter of high technology announcements, — "this little bit of silicon can carry more information than anything yet devised; our personal computer is better and cheaper than yours" — it's refreshing to discover that the good, old fashioned inventor still exists.

New York has just seen the International Inventors' Expo described as "a gathering of tinkers who hope their dreams

will make them rich." Harold L. Kleiman, the organiser, said any inventor able to fork up \$550 could be allocated space for his exhibit "as long as it isn't dirty or too outlandish."

He turned down designs for a flying submarine. "Would-be inventors should not waste money on such fantasies," he said, but he accepted a "cuff monitor".

Shades of Edgar Allan Poe? The monitor is designed for those of us who fear an immediate cataleptic attack.

Roberto describes the monitor as a bleeper which can be attached to the body of the deceased. If you should come round in your coffin the bleep is actuated and a built-in oxygen system should keep you going until the gravediggers manage to reach you.

The Expo brochure describes it as "the only way in the world to avoid being embalmed or buried alive."

Disposable binoculars, golf clubs with huge grips, cooking pots that will not boil over and a bike that is easier to pedal uphill were all on display.

which triggers heaters and fans using the pig's own body heat to provide air conditioning for the sty.

Negligible running costs, increased comfort for the pigs result from "this ingenious Automatic Natural Ventilation Controller," say the designers.

They do not say whether it will improve the favour of the pork but I'm just waiting for my wife to say: "We have roast ventiled leg of pork for Sunday lunch."

Contributors:  
John Barrett  
Arthur Sandles  
Max Commander

## Economic Diary

TODAY: Social Democratic Party conference on industrial relations.

TOMORROW: Final day of Western economic summit in Versailles. UN energy conference in Rome (until June 18). Hamburg city-state elections.

MONDAY: CBI monthly trends inquiry for May. NUR executive meeting to discuss rail workshop closures. President Reagan starts three-day visit to Britain. UN special session on disarmament opens in New York. TUC international committee meets. Post Office Engineering Union conference in Blackpool (until June 11).

TUESDAY: EEC industry council meeting in Brussels. UK balance of payments for the first quarter. Final retail sales figures for April. Hire purchase and other instalment credit business for April. Provisional wholesale price index numbers for May. Provisional figures for vehicle production in May. London clearing banks' monthly statement (mid-May). Housing starts and completions for April. Provisional estimates of monetary aggregates (mid-May). House renovations in the first quarter. 24-hour strike by health service workers.

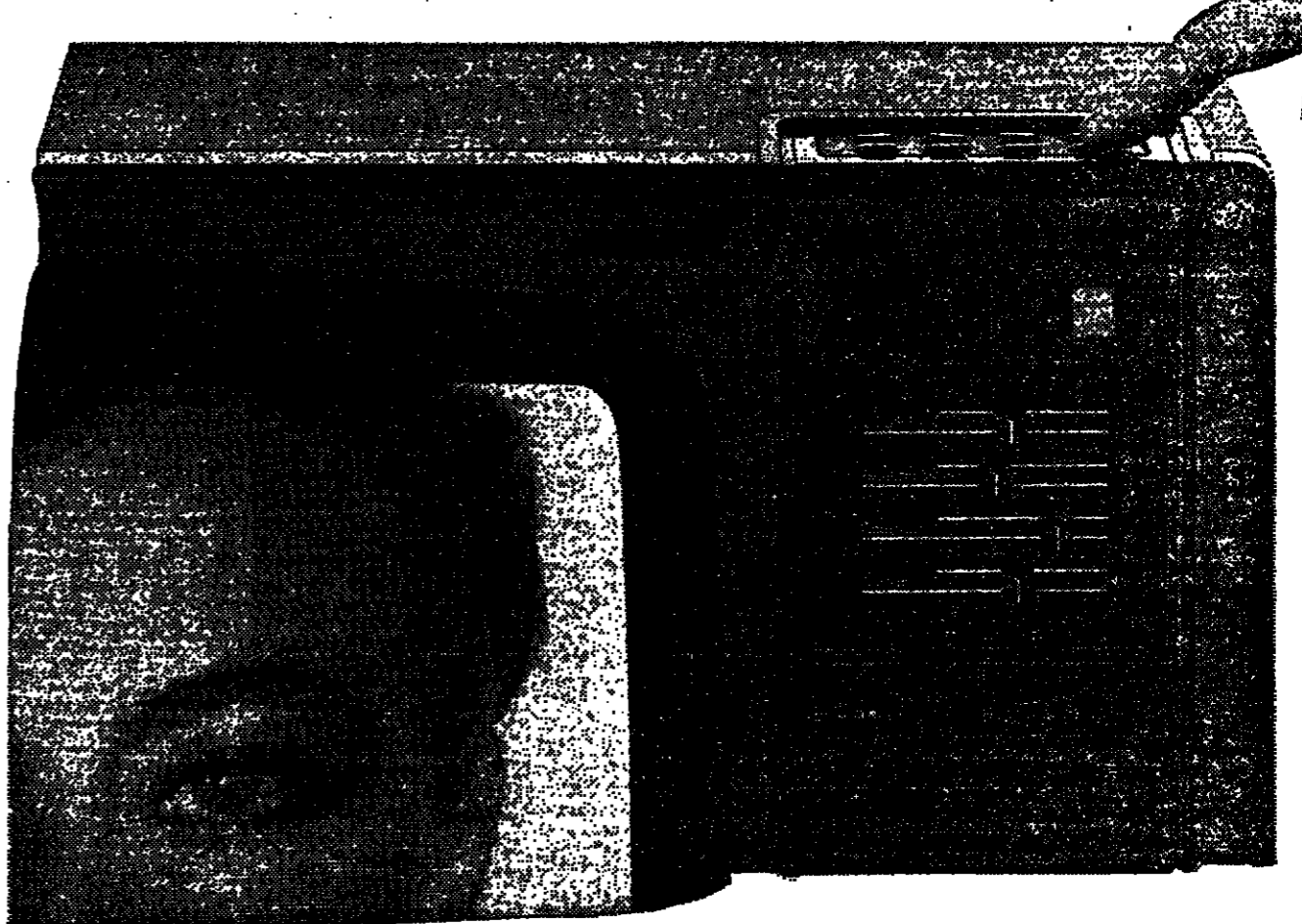
workers. President Reagan to address Houses of Parliament. The Prime Ministers of Comecon countries meet in Hungary to discuss co-ordination of economic plans and the continued slide in Poland's industrial production. Annual meeting of the Institute of Chartered Accountants. WEDNESDAY: FT conference "World electronics—the U.S., Japan and Europe—competition or collaboration?" at the International W1 (until June 10). Central Government transactions (including borrowing requirements) for May. Nato summit in

Bonn (until June 10). TUC economic committee meets. TUC health committee discusses health services pay dispute.

THURSDAY: EEC transport council meeting in Brussels. TUC "union day" protest over Employment Bill. Lord Mc Carthy and Mr Denis Healey attend industrial relations conference at the Institute of Directors. Fall Mail. SWI. NUM executive committee meets.

FRIDAY: Building Societies' monthly figures for May. Usable steel production for May. Construction output for first quarter. Welsh Conservative Party conference in Llandrindod (until June 12).

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Dividend held at New Throgmorton

PROFITS BEFORE tax of the New Throgmorton Trust edged ahead from £1.13m to £1.19m for the year ending March 31, 1982, but after a higher tax charge of £242,142, against £249,353, stated earnings per 25p income share were lower at 1.955p, compared with 1.985p.

Increase seen by Helene of London

If trading continues at current levels, the board of Helene of London anticipates an increase in profits for 1982, says Mr Montague Burkeman, the chairman, in his annual statement.

BAIRSTOW

The offer for sale of 7m shares in Bairstow Eves attracted 39,865 applications for 17.5m shares.

Dobson Park falls to £3.8m midway

ALTHOUGH pre-tax profits of Dobson Park Industries have fallen from £3.1m to £3.79m for the half year to April 3, 1982, the group is maintaining its interim dividend at 1.5p per 10p share.

power tool market has necessitated a much deeper rationalisation of the Kangoo Wolf operations. The directors aim to complete this exercise during the current year, but the whole of the expected cost has been included in the first half.

contributed to the division's £1.7m downturn into loss. This activity may well show recovery in the second half but the levels of performance seen two years ago are unlikely to be repeated in the foreseeable future.

Stewart Wrightson chief makes strong attack on Lloyd's Bill

MR DAVID ROWLAND, chairman of Stewart Wrightson, the insurance broker with interests at Lloyd's of London, made a strong attack yesterday at the group's annual general meeting on the Lloyd's Bill of Parliament, which is designed to improve the insurance market's self regulation.

associate Stewart Wrightson publicly with the opposition to an inevitable change did not seem to be in the shareholders' best interests, but I have now expressed my opposition to this provision in a letter used in evidence before the committee of the House of Lords.

our successful efforts to develop new business, will enable our insurance broking companies to perform well during the current year.

Nimslo plans 'major' expansion

Nimslo International, the 3-D camera company set up by inventors Dr Jerry Nims and Mr Allen Lo, yesterday announced major expansion plans.

London Unlisted Securities Market despite the novelty of its product, said the response from photographic dealers in Florida, the only area where its camera has been put on sale, had exceeded expectations.

Nimslo is open to bids from manufacturers wanting to produce the new camera. Meanwhile, Nimslo is preparing to introduce two-shift working at its Dundee plant making the existing model.

Castings improves to £0.55m

THE £20,000 mid-term profits shortfall has been recovered by Castings in the second six months to March 31, 1982 and the company, a malleable iron founder, reports full year pre-tax figures ahead from £514,499 to £550,318.

Ductile forecasts profit return

Ductile Steels, the object of an agreed £21.4m cash and shares bid from Glywed, is forecasting a pre-tax profit of £1.8m in the year to July 3, 1982 compared with a loss of £2.17m last year.

Marshall Field's losses accelerate

First quarter operating loss of Marshall Field and Company, a subsidiary of British-American Tobacco, dropped from U.S.\$974,000 to U.S.\$987,000 on sales of \$252.1m, compared with \$253.2m.

Anger at Burmah AGM over BP shares case

ANGRY shareholders yesterday resurrected a six-year stock row which began in 1975 when Burmah Oil almost collapsed.

Property & Reversionary increases to £2.33m

AN INCREASE in pre-tax profits from £2.05m to £2.33m has been shown by Property and Reversionary Investments for the year to March 31, 1982.

Bishop's back in profit

A STRONG swing from loss to profit by the wholesale division enables Bishop's Group to recover from a mid-year deficit of £82,000 at the pre-tax level to a surplus of £516,000 for the full year to February 27, 1982, compared with £931,000 previously.

Rowlinson moves ahead to £0.7m

THE IMPROVED performance of the contracting company was given as the reason for a rise in pre-tax profits from £420,516 to £702,434 at Rowlinson Securities for the year to January 31, 1982.

Wilshaw Secs. deficit rises to £71,000

Increased pre-tax losses of £71,000, compared with £13,000, were incurred by Wilshaw Securities, a manufacturer of hydraulic presses and equipment, for the six months to January 31, 1982.

Majority holding in Porvair may be sold

Porvair, the loss-making microprocessor synthetic material manufacturer, has been told by Inmont, its U.S. majority shareholder, that it intends to try to sell its 80.4 per cent equity stake and withdraw existing financial support by July 31.

Results due next week

Reed International looks set to show a substantial profit upturn when it reports its figures for the year to the end of March on Monday. At the nine-month stage the pre-tax total was 32 per cent ahead at £55.7m though the comparative period had been hit by industrial action by printers and journalists, the packaging sector appears to be over the worst and a cover price increase enabled the Daily Mirror to return to a small profit in the third quarter after a £3m loss in the previous three months.

Exco deal completed

Exco International, the money broking group, yesterday completed the acquisition of the business of W. I. Carr (Overseas), the Hong Kong broking arm of Carr Sebag.

Centreway's Wilkins & Mitchell offer

Centreway will offer one 1p share in a newly formed subsidiary Servis Holdings or 1p in cash for each of the 5,423,000 25p ordinary shares of Wilkins and Mitchell.

Dowty in £9m U.S. acquisition

Dowty, the aerospace, defence and mining equipment manufacturer has bought RFL Industries of the U.S. for \$18m (£9.3m) in cash.

Exco deal completed

Exco International, the money broking group, yesterday completed the acquisition of the business of W. I. Carr (Overseas), the Hong Kong broking arm of Carr Sebag.

Table with columns: Company, Announcement due, Dividend (p) Last year, Dividend (p) This year. Lists companies like Allied Computers, Ariel Industries, etc.

Table with columns: Company, Announcement due, Dividend (p) Last year, Dividend (p) This year. Lists companies like Speer (J. W.) and Sons, Trenwood Group, etc.

Table with columns: Company, Price, % + or -. Lists companies like Banco Babas, Banco Central, etc.

Table with columns: Company, Current payment, Date of payment, Corre. div. year, Total year. Lists companies like Bishop's Group, Castings, etc.



# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

Mercantile House, a leading UK moneybroker, agreed to acquire Oppenheimer Holdings, a Wall Street stockbroker and one of the top 10 U.S. fund managers in a deal worth \$91m. This is believed to be the largest purchase of a U.S. stockbroker by foreign interests. Because of the size of the deal, the directors of Mercantile asked the Stock Exchange to suspend dealings in the company's shares until relisting in August, the shares were suspended at 420p.

Control of Harrison's Malaysian Estates is to be transferred from its holding company in Britain, Harrison's and Crossfield, to the Malaysian state investment agency in a deal which values HME at £294. Harrison's and Crossfield negotiated the transfer with investment agency Ferozuddin National Berhad in compliance with Malaysia's new economic policy since the London-based group acquired a 74 per cent holding in HME four years ago.

Tring Hall Securities believes it has put together a rescue package for the much-troubled wood stove supplier Eurofame. The deal, if successful, would lead to a reverse takeover of the company by Heatstream, a private manufacturer of logfires formed in 1980.

Electronic Rentals, the television and video recorder hirer, is planning to raise about £35m for continued development of the video market by the proposed acquisition of London and Montrose Investment Trust, part of the Robert Fleming stable of investment trusts. For each London and Montrose share, Electronic Rentals is offering its own ordinary shares to the value of 111.765 per cent of the net asset value of the trust subject to a maximum asset value of 154p. Taking the estimated asset value of the trust shares at May 26 of 144p per share, the offer values the trust at £38.7m based on Electronic's share-price of 76p, ex the proposed final dividend, on June 2.

Company bid for	Value of bid per share**	Market price**	Price Value before of bid	Price Value after of bid	Bidder
Finance & Ind Tr	30*	28	25††	2.78	Harmar Sees
General & Comm	298††	255	235	15.32	Britannia Arrow
Grand Broom†	190*	186	179	2.28	Jadepoint
Lon & Montrose Inv.	161††	146	125	38.70	Elect. Rentals
Lonsdale Unvr†	66*	66	66	5.31	British Printing
Lonsdale Unvr††	67*	66	42	6.01	Menzies (J.)
Unis Gordon	23*	20	20††	0.57	Fedro Domecq
NOC Energy	25*	35††	35††	4.88	Cook Int.
Speedwell Gear	20*	28	14	0.19	Lathhill
Gase	54††	50	43	2.93	Causton (Sir J.)
Welbeck	1	18	0.06	Centraway	
Wilkins & Mtbl.	18*	17	9††	0.57	Hainsworth

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Based on June 4 1982. †† At suspension. ††† Estimated. §§ Shares and cash. ††† Unconditional. \* Loan stock.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Airflow Sirims.	Feb 89	(282)L	1.2	(0.25)
Allied Lyons	Mar	141,200 (112,400)	12.9	(8.2)
Beecham Group	Mar	201,900 (150,600)	18.2	(13.6)
Billam (J.)	Mar	471 (621)	15.7	(24.0)
Brunning Group	Mar	203 (244)	4.4	(6.7)
Century Oils	Mar	4,100 (3,040)	10.5	(10.3)
Coallite Group	Mar	23,860 (21,860)	18.2	(24.0)
De La Rue	Mar	21,940 (33,000)	35.3	(77.4)
Dunhill Holdings	Mar	5,220 (2,840)	32.4	(42.0)
Edinburgh Gen	Dec	141 (214)	0.3	(0.3)
Energy Services	Dec	1,510 (1,510)	2.8	(3.4)
Erskine House	Mar	179 (442)	5.6	(0.0)
Ex-Lands	Dec	81 (55)	1.5	(0.0)
Garford-Lilly	Mar	573 (805)	4.9	(4.78)
Glossop	Jan	529 (376)	8.3	(5.6)
Harrisons & Cros	Dec	47,240 (51,020)	37.1	(46.6)
Hawley Group	Dec	2,770 (965)	9.7	(7.1)
Hazlewood Foods	Mar	1,420 (1,000)	19.8	(15.7)
Jantar	Dec	488 (285)	7.5	(13.4)
Macdonald Martin	Dec	1,280 (1,160)	41.2	(38.0)
Mountview Esis.	Mar	2,790 (2,290)	26.7	(22.0)
Murray Tech Inv.	Mar	191†	1.66†	1.1
Pearlman Sunild	Mar	3,170 (3,120)	15.4	(17.6)
Readlink Int*	Mar	230 (1,960)	0.5	(0.1)
Transparent Ppr	Apr	2,180†	(146)	(0.0)
Triest	Dec	127 (912)	(0.1)	0.63
UBM Group	Feb	2,030†	(2,670)	(3.3)
Uniflex Holdings	Dec	658†	(441)	(0.0)

\* Dividends are shown net except where otherwise stated. † Adjusted for scrip issue. ‡ Since February 11 1981. § For the four months to September 1981. ¶ For the six months to January 31 1981. L Loss.

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Assoc Sprayers	Feb	117†	0.5
Caravans Int	Feb	1,790†	(2,280)L
Clyde Blowers	Feb	245	(174)
Greenfields Leds.	Apr	50	(82)L
Hanson Trust	Mar	22,100	(18,200)
Hickson & Welch	Mar	3,830	(2,210)
Kaysons Int	Apr	503	(482)
Lake & Elliot	Mar	445†	(306)†
William Leech	Feb	374†	(156)L
Marley	Apr	1,160	(3,280)
Martin Newsagent	Mar	2,620	(2,410)
McCorquodale	Mar	3,020	(2,340)
MPC	Mar	14,900	(1,620)
Spring Grove	Apr	1,290	1.50

(Figures in parentheses are for the corresponding period.) \* Dividends are shown net except where otherwise stated. † Adjusted for scrip issue. ‡ Since February 11 1981. § For the four months to September 1981. ¶ For the six months to January 31 1981. L Loss.

## Offers for sale, placings and introductions

Eglington Oil and Gas—Placing of 500,000 shares at £1.20 each.

# Timber importing merger heralds long-awaited rationalisation

## Ray Maughan reports on the marriage between Meyer and International that got its impetus from over-capacity

MERGERS IN the timber importing business have been mooted for so long that the City had almost given up considering takeover rumours seriously. True, there have been some big deals—Sunderland-Evans merged with Magret, a tinery, and Mellisham-Dwyer found a suitor in the unlikely shape of tea and meat group, Brooke Bond Liebigh.

But the marriage announced yesterday between Montague L Meyer and International Timber can be expected to put the final seal on all major merger activity in the UK timber importing trade for the foreseeable future.

The extensive rationalisation

which many observers inside and outside the sector have been expected over many years, may be about to come to pass.

The impetus for this merger is, quite simply, over capacity. Put crudely, the quoted UK softwood importers have been undercut and finally upstaged by their Scandinavian and North American suppliers which have elbowed their way down the distribution system into the factories and shops of the end-users.

The decision by the grower countries to ensure that their products were distributed by state-owned or government-influenced timber exporting companies was both logical and,

with hindsight, inevitable.

Mr Nick Meyer, the grandson of the founder of Montague L Meyer, pointed out yesterday that within 10 years Scandinavian companies such as Svenska Cellulosa had expanded their UK distribution activities to the point where about half Sweden's imports to the UK now passed through a Scandinavian-owned pipeline.

At the start of the last decade, that proportion was no more than about 5 per cent, Mr Meyer calculates. And, he adds, they had kept the most attractive slice of the business.

The impact on companies like International and Meyer has been alarming. To their credit, they have also expanded their own distribution operations where, in an attempt to add value to their sales, they have branched out into the timber product manufacturing business and expanded in the builders' merchanting trade.

Mr Ron Groves, the chairman of International Timber, will head the merged group,

# Aluminium: makers seek import ban

Mr George Russell, managing director of Alcan (UK), said: "I don't know of any home market in the world where the price is as low as it is here."

"But you can't go after Bahrain because there is no home-market price in Bahrain, and how can you find out a Russian price?"

The producers are also sceptical about the practicality of seeking voluntary-restraint agreements with countries from which the imports are coming, as the European Commission did in steel.

A Pechiney official suggested using a trigger-price mechanism, as the U.S. Government did to try to restrict steel imports, but he doubted any action would be taken for several months.

## Lucas Industries opens London service centre

LUCAS INDUSTRIES is determined to sustain a strong presence in the vehicle servicing business with a direct involvement in workshop repairs, trade sales and retail sales, Mr Godfrey Messervy, chairman, said yesterday.

The Lucas Service organisation has spent £4m in the five years since it was established relocating service operations in modern, cost-cutting premises.

Mr Messervy was speaking at the formal opening of a new centre in West London.

"We said Lucas recognised the service business as 'immensely important both for the opportunities it presents and as an aid to our wider understanding of the total marketplace,'" Mr Messervy revealed that, as part of the group's determination to retain a significant slice of the worldwide service business, it was to extend its

## Advertisers call for early expansion of cable TV

THE GROWING flood of evidence to the Hunt inquiry into the expansion of cable television and its effect on broadcasting continues to support its rapid introduction. But there are considerable differences on the degree of regulation needed for the new services.

The Institute of Practitioners in Advertising (IPA) yesterday supported the expansion of broad-band cable television which, it declared, was a totally new medium. The IPA said the expansion of cable would be determined by the range and variety of programmes and services. Advertising on cable TV would help to lower the cost and improve the range and quality of programming. It estimated that cable TV could attract £120m (1980 prices) advertising revenue by 1985.

It argued that cable television posed no threat to either the revenue base or programme standards of public broadcast-

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120 Ass. Bnt. Ind. Ord.	120	10.0	7.8	10.3
130 1000	130	10.0	7.8	10.3
130 1000	130	10.0	7.8	10.3
25 32	73	10.1	8.4	8.3
51 33	73	10.1	8.4	8.3
120 187	108	10.1	8.4	8.3
120 187	108	10.1	8.4	8.3
285 240	285	10.1	8.4	8.3
104 61	104	10.1	8.4	8.3
137 97	137	10.1	8.4	8.3
35 35	75	10.1	8.4	8.3
78 48	54	10.1	8.4	8.3
102 93	102	10.1	8.4	8.3
110 100	110	10.1	8.4	8.3
113 34	113	10.1	8.4	8.3
123 104	123	10.1	8.4	8.3
234 222	234	10.1	8.4	8.3
67 51	67	10.1	8.4	8.3
222 159	222	10.1	8.4	8.3
85 10	85	10.1	8.4	8.3
103 73	103	10.1	8.4	8.3
283 212	283	10.1	8.4	8.3

## CBI team to meet Community officials

THE Confederation of British Industry is sending a team of six to Brussels next week for talks with members of the European Commission.

The talks are aimed at reaffirming British industry's support for the UK's membership of the EEC and examining how the Community might help business and create jobs, says the CBI.

The CBI stressed that the visit had been planned for some months and was not a response to recent difficulties between the 10 member countries, nor to the Falklands issue or to the still deteriorating trade balance with Japan, "although these matters certainly will be discussed."

On Japan, the team will stress the CBI view that action is essential to ensure that the Japanese intensify their efforts to offer better access for British goods to the Japanese market. It will argue the need for restraint in Japan's export drive to Europe.

The talks, on Monday, Tuesday and Wednesday, will also cover improvement of trade in goods between the member states by the elimination of non-tariff barriers.

## LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual interest	Life interest	Minimum sum
Knowsley (051-648 8555)	13%	1-year	1,000
			4-9

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Rowe & Pitman, City-Gate House, 39-45 Finsbury Square, London EC2A 1JA

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including Dow Jones Industrial Average, S&P 500, and various sector indices.

Table of New York stock market data listing individual stocks such as Am. Express, Am. Tobacco, and Am. Telephone.

Table of New York stock market data listing individual stocks such as Am. Airlines, Am. Bank, and Am. Chemical.

Table of New York stock market data listing individual stocks such as Am. Electric, Am. Food, and Am. Gas.

Table of New York stock market data listing individual stocks such as Am. Insurance, Am. Media, and Am. Retail.

Table of New York stock market data listing individual stocks such as Am. Services, Am. Tech, and Am. Utilities.

Table of New York stock market data listing individual stocks such as Am. Energy, Am. Health, and Am. Real Estate.

Table of New York stock market data listing individual stocks such as Am. Finance, Am. Law, and Am. Education.

Table of New York stock market data listing individual stocks such as Am. Entertainment, Am. Sports, and Am. Leisure.

Table of New York stock market data listing individual stocks such as Am. Transportation, Am. Shipping, and Am. Logistics.

Table of New York stock market data listing individual stocks such as Am. Defense, Am. Aerospace, and Am. Military.

Table of New York stock market data listing individual stocks such as Am. Government, Am. Public Works, and Am. Infrastructure.

INDICES

Table of various stock market indices including Dow Jones, S&P 500, and regional indices.

STANDARD AND POORS

Table of Standard and Poors stock market data including various sector indices.

NEW YORK ACTIVE STOCKS

Table of New York active stocks showing price changes and trading volumes.

MONTEAL

Table of Montreal stock market data including various indices and individual stocks.

TORONTO

Table of Toronto stock market data including various indices and individual stocks.

NEW YORK ACTIVE STOCKS

Table of New York active stocks showing price changes and trading volumes.

Early 5.2 decline on Wall St

PRICES EDGED lower in the Beaufort Sea Tarsuit well continued to weaken. Most active Gulf Canada shed \$1 to \$1.31 and Dome Petroleum \$4 to \$6.

Analysts said investors are concerned about Money Supply figures to be released after the close. They say fears are in the air.

Stocks were off sharply at mid-session amid gloomy economic news and continuing disappointment over Beaufort Sea drilling results.

Closing prices for North America were not available for this edition.

Table of Canada stock market data including various indices and individual stocks.

Table of Belgium stock market data including various indices and individual stocks.

Table of Holland stock market data including various indices and individual stocks.

Table of Australia stock market data including various indices and individual stocks.

Table of Japan stock market data including various indices and individual stocks.

NOTES—Prices on this page are quoted on the basis of the exchange and are in local currency. All figures are in local currency unless otherwise stated.

**Companies and Markets**

# Wienerwald given time to improve debt status

BY JOHN WICKS IN ZURICH  
**BANK CREDIT** granted to the troubled Swiss-based catering group Wienerwald, is now likely to be prolonged until the end of November. Wienerwald, which held discussions with most of its 24 Swiss and German bank creditors in Zurich on Thursday, has total bank debts of DM 257m (\$108.6m).  
 While Wienerwald is said not to have yet presented the new management concept the banks had originally asked for, the response of the banks at the Zurich meeting is said to have been generally positive. A letter is now being sent to all banks concerned before formal approval is given to the hold-over agreement. This foresees payment of interest on outstanding credit and the renewal of short-term loans, without any loans being called in by the banks.  
 The banks are said to have agreed at the Zurich meeting that Wienerwald needs more time to carry out its restructuring. It is now understood that this will include certain hotel sales. The group operates a total of 46 hotels, mostly under the names Wienerwald and Taurotel.  
 This would mean that future activities would concentrate on the group's more than 1,400 restaurants, which are located mainly in the U.S. and Germany.  
 The board of the parent company, Wienerwald Holding, is to remain unchanged. However, an international firm of chartered accountants is to hold a watching brief.

# Hudson's Bay heavy first quarter loss

BY OUR FINANCIAL STAFF  
**HUDSON'S BAY**, the largest retailer in Canada, reports a substantially heavier operating loss for the first quarter of this year following a flat sales performance.  
 Net operating losses for the three months ended April were \$28.5m (US\$20.1m), or \$0.11 a share, compared to \$19.1m for the comparable quarter in 1981-82, when unit losses emerged at 75 cents.  
 Sales were virtually unchanged at \$387.9m, against \$387.1m. Last month, the company warned that its merchandising division would incur a large loss.  
 Last year the squeeze on consumer spending pushed the Bay's operating earnings down to \$24.7m from \$45.6m — a result which in turn had fallen short of the \$30.3m of 1979-80. The Bay said an increase in earnings from natural resources was more than offset by higher operating losses from merchandising operations and a 38 per cent rise in financing costs. It added that a recovery in profits was dependent on a fall in interest rates.  
 Natural resource earnings increased to \$14.6m from \$3.8m a year ago.  
 The weakness in consumer spending, which prevailed through the last half of last year continued into the first quarter of 1982-83. Merchandising losses increased to \$31.2m from \$15.5m. Financing costs increased to \$3.6m from \$3.6m.

# Swiss coffee group to float 10% of capital

BY OUR ZURICH CORRESPONDENT  
**THE PUBLIC** issues of shares planned for 1983 by Jacobs, the Swiss coffee group, will be in bearer shares and comprise at least 10 per cent of the company's capital.  
 The company has carried out a restructuring of its capital as a preliminary step to a stock market listing. The SWFR 200m (\$85.5m) capital now consists of 1.2m registered shares and 160,000 bearer shares, all owned by the family holding undertaking, Colima, and members of the Jacobs family.  
 In 1981, Jacobs booked turnover of SWFR 2.71bn, an increase of 1 per cent. Over 70 per cent of sales are in Germany and France, both of whose currencies weakened against the Swiss franc in 1981.  
 From record profits 10 per cent higher at SWFR 70.5m, Jacobs is to raise its dividend from 12 to 14 per cent. For the current year, it expects earnings to be rather lower.  
 The international coffee market is seen as remaining highly competitive, with profit margins subject to heavy pressure. Nevertheless, the group — which is the market leader for roasted coffee in Germany, France, Austria and Canada — expects to be able to further its market shares.

# Sharp fall for Suntory

BY OUR FINANCIAL STAFF  
**SUNTORY**, Japan's major distiller, suffered a sharp decline in unconsolidated profits despite a moderate sales increase in the year ended March, 1982.  
 The year's depreciation inflated the cost of raw material imports and higher liquor taxes discouraged the purchase of quality whiskies; Suntory said.  
 Sales rose 5 per cent to ¥721.8bn (\$5bn) but profits plunged 29 per cent to ¥32.8bn. However, the setback to after-tax profits was limited to ¥15.1bn, a fall of 8 per cent. Sales of the "Old" brand

# First half gain for Nordic airline

By William Dullforce in Stockholm  
**Scandinavian Airlines System (SAS)** improved its earnings in the six months to March, a period during which most other international airlines showed losses.  
 SAS announced a group profit before appropriations of SKR 44.9m (\$7.65m) for the half year compared with a loss of SKR 250.4m in the corresponding period. This included, however, a net income of SKR 58.2m from the sale of aircraft.  
 Excluding aircraft sales and net extraordinary losses, SAS shows a pre-tax loss of SKR 200,000m compared with a loss of SKR 250.4m.  
 The airline operations turned in a profit, including aircraft sales, of SKR 16.9m for the period, against a loss of SKR 215m. The pre-tax loss after financial charges were reduced from SKR 217.4m to SKR 27.6m.  
 Improvements in SAS's results were greater than forecast and it occurred during the winter half, when airline earnings were traditionally at their weakest, Mr Jan Carlzon, managing director, said.

# France to pump EFr 1bn into Agache-Willot

BY DAVID WHITE IN PARIS  
**A COMPROMISE** plan has been put forward in a bid to rescue the struggling Agache-Willot textile and retail group, involving the loss of 1,300 jobs at its manufacturing subsidiary, Bousac-Saint-Freres (BSF).  
 The plan is expected to lead to a halving of BSF's losses, currently running at between EFr 400m (£184m) and EFr 250m a year. The new state-backed management has meanwhile drawn up an investment programme totalling nearly EFr 1bn—the sum reckoned necessary to turn the business round in the next five years. Although the announcement of the plan in Lille met with hostility from trade union leaders, who have insisted on avoiding redundancies, the jobs cuts are more moderate than that generally been expected.  
 BSF employs about 19,000 of the group's 26,000-strong workforce.  
 The rescue plan comes 11 months after Bousac-Saint-Freres—which includes the remnants of the Boussac group which Agache-Willot bought in 1978—filed its petition for bankruptcy.  
 It was announced by M René Mayer, appointed in March to head a new company set up to run the group's affairs on a

# Socarl pulls out of venture with Cetus

By Louise Kehoe in San Francisco  
**STANDARD OIL of California (Socarl)** has announced its withdrawal from a major joint project with Cetus Corporation, one of the leaders of the U.S. bio-technology industry.  
 Socarl, which is a major shareholder in the gene-splicing firm, has pulled out of the project to develop a commercial process to manufacture fructose, a sweetener, into which the oil giant has poured between \$7m and \$8m over the past three years.  
 It has now concluded that "for technical and commercial reasons it was in our best interest to withdraw."  
 The move deals a heavy blow to Cetus, which had hoped that when the fructose manufacturing project was completed in the mid-1980s, it would give the company a major share in the \$11m U.S. market for sweeteners. The total cost of the project had been estimated at \$100m by Mr Peter Farley, the Cetus president.  
 Other companies, including Genentech of the U.S. and Hoffmann-La Roche of Switzerland, are believed to be working on similar projects, but Cetus had been widely regarded as a technological leader in the field.  
 Cetus' technological lead has now been called in question by Mr Farley's withdrawal. Smoking out the disappointment, Cetus says that it is involved in active negotiations with a company in the sweetener industry and is optimistic that it will find a new backer for the fructose project.  
 However, unless Cetus does find a new partner, it will not go ahead with plans to build a \$5m pilot fructose production plant.

# Rabobank sees another flat year

BY WALTER ELLIS IN AMSTERDAM  
**RABOBANK**, the Dutch agricultural co-operative bank, expects no improvement in the earnings in the first six months of 1982, compared with the same period in 1981, but sees little chance of increased profit for the whole year.  
 In 1981, Rabobank's earnings fell 0.8 per cent to F1 \$35m (\$201m) although the balance-sheet total, at F110bn, was up 13 per cent.  
 Reviewing the 1982 first quarter, the bank said it had foregone a possible F1 300m in revenue by holding charges to existing customers below the level indicated by the market. It argued that revenue lost now would be more than compensated for in the future by a consolidation of client loyalty.  
 The chairman of the supervisory board, Mr C. G. Mertens, said in his shareholders report that if the Dutch Government intended to pursue its plan for a National Post Bank it should begin as early as possible. Post Offices in Holland are competing currently with the commercial banks in a number of areas, including Giro payments. Mr Mertens believes that formal rules need to be drawn up to prevent unfair competition.  
 Saturday's opening by Post offices and the lack of any obligation to pay out profits to shareholders have provoked criticism by the commercial banks of a fully pledged Post Bank. Rabobank, however, has been less vocal in its opposition.  
 The Dutch Liberal Party, which is likely to be a major component in the next Dutch Government, is against the idea of a Post Bank, partly because it does not want to see the state involved in more lending.

# Israel State sell-off plan

BY L. DANIEL IN TEL AVIV  
**THE ISRAELI** Government intends to sell shares in a number of largely Government-controlled companies.  
 The move is aimed at raising capital and mopping up part of the large amount of money in the hands of the public which has resulted in new issues being 30 and 40 times over-subscribed.  
 The first company to come to the market will be the National Coal Company, formed a year ago to handle Israel's imports of coal for the country's first coal-fueled power station.  
 Next on the list is the Paz Oil Company, the largest of Israel's three oil marketing companies, which has 40 per cent of the country's market.  
 A special committee is also to consider the issue of shares to the public by several of the subsidiaries of the Government-controlled Israeli Chemicals.

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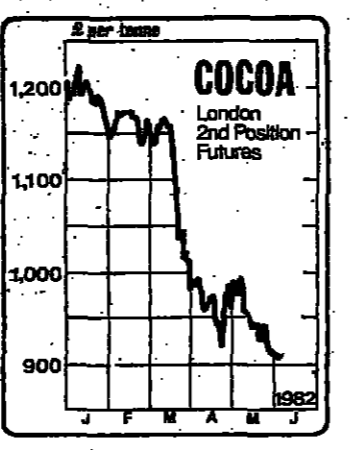
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# COMMODITIES AND AGRICULTURE

## COMMODITIES/REVIEW OF THE WEEK

### Copper leads metal market sell-off

BY OUR COMMODITIES EDITOR  
**COPPER** LED a general sell-off in base metals as gloom over the prospects for the U.S. economy continued to encourage heavy speculative liquidation.  
 Cash high grade copper on the London Metal Exchange ended 54.75 down at 2748 a tonne, the lowest level since November 1978. A 119 fall yesterday reflected heavy selling in the U.S. from a number of industrial operators who have driven investment holders out of the market.  
 The steady succession of U.S. producer price cuts continued with Noranda and Hudson's Bay coming down 3 cents to 72 cents early in the week and Asarco and Inspiration trimming a further 4 cents to 68 cents yesterday.  
 The copper fall also encouraged heavy declines in lead and zinc. Lead fell below \$300 a tonne for the first time since February 1981 and the cash LME price ended the week 225.75 down at \$285 a tonne. In spite of rising \$3.75 yesterday cash zinc lost \$26.75 on balance to \$386.50 a tonne.  
 Speculative buying boosted tin values yesterday but the cash LME quotation still ended 222.50 down on the week at \$6,825 a tonne. Earlier it had fallen to \$6,245 a tonne because of sustained speculative selling in the absence of International Tin Council support buying.



It was suggested that the LME's inactivity was caused by lack of funds following a long and expensive support buying campaign.  
 The LME reappeared as a buyer on Thursday, however, when it switched some of its purchasing to London from Penang to narrow the widening discount on London prices which had reached \$800 a tonne.  
 The cocoa market remained depressed with nearby quotations in the London futures market reaching new 11-month lows. The September position was up 23 a tonne yesterday but still ended with a loss on the week of \$31 at \$912.50 a tonne.  
 Expectations that the market is unlikely to brighten in the near future tended to be confirmed by an announcement that Brazil had cut its cocoa expansion programme. The new target for 1992 production is 550,000 tonnes instead of 700,000 tonnes.  
 This week's weak performance was influenced by further delays in completing a \$75m loan by a group of Brazilian banks to the International Cocoa Organisation (ICCO) to boost its support buying power.  
 Sugar values fell to their lowest levels for 2 1/2 years encouraged by news that India was returning to the market as a seller. In the event only one cargo was sold at this week's tender but more offers are expected soon.  
 Natural rubber prices were also markedly lower with the RSS No. 1 spot quotation on the London physical market ending 2 1/2p down at \$150 a kilo. Plans for producers to hold rubber off the market to help boost prices may be resisted.

## BASE METALS

	Official	Unofficial	%	%
<b>COPPER</b>				
High Grade	54.75	54.75	-	-
3 months	54.75	54.75	-	-
Settlement	54.75	54.75	-	-
Low Grade	54.75	54.75	-	-
3 months	54.75	54.75	-	-
Settlement	54.75	54.75	-	-
<b>ZINC</b>				
Dash	386.50	386.50	+4.75	+3.75
3 months	386.50	386.50	+4.75	+3.75
Settlement	386.50	386.50	+4.75	+3.75
<b>LEAD</b>				
High Grade	285.75	285.75	-	-
3 months	285.75	285.75	-	-
Settlement	285.75	285.75	-	-
Low Grade	285.75	285.75	-	-
3 months	285.75	285.75	-	-
Settlement	285.75	285.75	-	-
<b>NICKEL</b>				
High Grade	735	735	-	-
3 months	735	735	-	-
Settlement	735	735	-	-
Low Grade	735	735	-	-
3 months	735	735	-	-
Settlement	735	735	-	-

## GAS OIL FUTURES

	Official	Unofficial	%	%
<b>CRUDE OIL</b>				
15 day	32.80	32.80	-	-
1 month	32.80	32.80	-	-
3 months	32.80	32.80	-	-
6 months	32.80	32.80	-	-
12 months	32.80	32.80	-	-

## GOLD MARKETS

	Official	Unofficial	%	%
<b>Gold Bullion</b>				
Close	\$316.31	\$316.31	-	-
Morning	\$316.31	\$316.31	-	-
Afternoon	\$316.31	\$316.31	-	-

## WEEKLY PRICE CHANGES

	Latest price	Change on week	1982	High	Low
<b>METALS</b>					
Aluminium	2910.0	-30	2910.0	2910.0	2910.0
Free Market c.i.f.	2920.0	-30	2920.0	2920.0	2920.0
Antimony	2250.0	+10	2250.0	2250.0	2250.0
Free Market 90.5%	2260.0	+10	2260.0	2260.0	2260.0
Copper-Cash High Grade	54.75	-56	54.75	54.75	54.75
3 months	54.75	-56	54.75	54.75	54.75
Cash Cathodes	273.5	-56	273.5	273.5	273.5
3 months	273.5	-56	273.5	273.5	273.5
Gold bar	316.31	-0.25	316.31	316.31	316.31
Free Market per oz.	316.31	-0.25	316.31	316.31	316.31
Lead Cash	285.75	-56	285.75	285.75	285.75
3 months	285.75	-56	285.75	285.75	285.75
Nickel	735	-56	735	735	735
Free Market c.i.f.	735	-56	735	735	735
Platinum per oz.	2100.0	-0.5	2100.0	2100.0	2100.0
Free Market per oz.	2110.0	-0.5	2110.0	2110.0	2110.0
Quicksilver (76 lb)	2650.0	+0.5	2650.0	2650.0	2650.0
Silver	339.0	-25.0	339.0	339.0	339.0
3 months	339.0	-25.0	339.0	339.0	339.0
3 months	339.0	-25.0	339.0	339.0	339.0
Tin cash	6825.0	-25.0	6825.0	6825.0	6825.0
3 months	6825.0	-25.0	6825.0	6825.0	6825.0
Tungsten	110.0	+0.5	110.0	110.0	110.0
Wolfram (62.5 lb)	110.0	+0.5	110.0	110.0	110.0
Zinc cash	386.50	-56	386.50	386.50	386.50
3 months	386.50	-56	386.50	386.50	386.50
Producers	386.50	-56	386.50	386.50	386.50
<b>GRAINS</b>					
Barley Futures	104.85	-0.2	104.85	104.85	104.85
Maize French	118.00	-1.75	118.00	118.00	118.00
<b>WHEAT</b>					
Hard Winter Wheat	2108.00	-0.2	2108.00	2108.00	2108.00
<b>SPICES</b>					
Cloves	25.00	-0.2	25.00	25.00	25.00
Pepper, white	1100.00	-10	1100.00	1100.00	1100.00
Pepper, black	1100.00	-10	1100.00	1100.00	1100.00
<b>OLDS</b>					
Onion (Philippines)	500.00	-0.2	500.00	500.00	500.00
Cocoa Futures	2250.00	-0.2	2250.00	2250.00	2250.00
Linseed, crude	250.00	-0.2	250.00	250.00	250.00
Palau Malayan	15.00	-0.2	15.00	15.00	15.00
<b>SEEDS</b>					
Copra (Philippines)	250.00	-0.2	250.00	250.00	250.00
Soybeans (U.S.)	204.75	-0.2	204.75	204.75	204.75
<b>OTHER COMMODITIES</b>					
Cocoa Shipments	20.00	-0.2	20.00	20.00	20.00
Cocoa Futures	20.00	-0.2	20.00	20.00	20.00
Crude Oil	32.80	-0.2	32.80	32.80	32.80
Octon Index	75.00	-0.2	75.00	75.00	75.00
Dist. Coconut	200.00	-0.2	200.00	200.00	200.00
Dist. Coffee	200.00	-0.2	200.00	200.00	200.00
Jute L1 A/B W grade	2250.00	-0.2	2250.00	2250.00	2250.00
Rubber k1	2250.00	-0.2	2250.00	2250.00	2250.00
Sago Palm	650.00	-0.2	650.00	650.00	650.00
Sisal	210.00	-0.2	210.00	210.00	210.00
Sugar (Raw)	210.00	-0.2	210.00	210.00	210.00
Tapioca No. 1	150.00	-0.2	150.00	150.00	150.00
Tea (plain) k1	300.00	-0.2	300.00	300.00	300.00
Wooltops, 54 W	300.00	-0.2	300.00	300.00	300.00

## INDICES

	June 4	June 3	Month ago	Year ago
<b>FINANCIAL TIMES</b>	122.63	122.63	122.63	122.63
<b>DOW JONES</b>	1195.00	1195.00	1195.00	1195.00
<b>MOODY'S</b>	987.5	987.5	987.5	987.5
<b>REUTERS</b>	1511.1	1511.1	1511.1	1511.1

## COCAO

	Official	Unofficial	%	%
<b>CASH</b>				
High Grade	2250.0	2250.0	-	-
3 months	2250.0	2250.0	-	-
Settlement	2250.0	2250.0	-	-
Low Grade	2250.0	2250.0	-	-
3 months	2250.0	2250.0	-	-
Settlement	2250.0	2250.0	-	-

## AMERICAN MARKETS

	Official	Unofficial	%	%
<b>SOYABEAN MEAL</b>				
High Grade	320.00	320.00	-	-
3 months	320.00	320.00	-	-
Settlement	320.00	320.00	-	-
Low Grade	320.00	320.00	-	-
3 months	320.00			

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for EUROPEAN OPTIONS EXCHANGE and BASE LENDING RATES.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for UK PUBLIC BOARDS and COMMONWEALTH GOVT.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for FOREIGN STOCKS (comps payable London), COMMONWEALTH CORPN, and FOREIGN STOCKS (comps payable London).

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for EUROPEAN OPTIONS EXCHANGE and BASE LENDING RATES.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for UK PUBLIC BOARDS and COMMONWEALTH GOVT.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for FOREIGN STOCKS (comps payable London), COMMONWEALTH CORPN, and FOREIGN STOCKS (comps payable London).

Table with columns: Option, Expiry, Closing price, Vol., Closing offer, Vol., Closing offer, Vol., Equity close. Includes sub-sections for LONDON TRADED OPTIONS and BASE LENDING RATES.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for UK PUBLIC BOARDS and COMMONWEALTH GOVT.

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for FOREIGN STOCKS (comps payable London), COMMONWEALTH CORPN, and FOREIGN STOCKS (comps payable London).

Stock Exchange dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talliesman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the three previous days is given with the relevant data.

\* Bargains at special prices. \* Bargains close the previous day. \* Bargains done with non-member or executed in overseas markets.

APPOINTMENTS Senior posts at IMI subsidiary

Mr J. Tamberlin has been appointed assistant managing director of IMI Refiners, a subsidiary of IMI. Mr Tamberlin was appointed works manager at IMI Refiners in 1974 before becoming works director in 1978.

Mr John Binzer has been appointed a director of CHARTERHOUSE CORPORATE INVESTMENTS, which is responsible for the Charterhouse Group's property marketing.

Mr Bernard Holtzhausen has been appointed chairman of the RAND LONDON CORPORATION GROUP in succession to Mr Alan Heber-Perry who has resigned.

Mr John R. Ball, managing director of Northern Strip Mining Ltd, an open-cast coal mining subsidiary in the Burnett and Hallamshire Holdings Group, which has a 51 per cent shareholding in Rand London Corporation, succeeds Mr Holtzhausen as managing director of the subsidiary.

Mr Christopher A. Hughes has been appointed works director for CHANCE WILKINGTON, a division of the Pilkington Group ophthalmic division. He succeeds Mr Harry Goodwill who is retiring.

Mr Stuart Andrew, contracts director of Wellman Furnaces, has been appointed chairman of THE SOCIETY OF INDUSTRIAL FURNACE ENGINEERS (SIFE).

Mr V. L. Barnes, Mr R. A. Liddy and Mr B. Thomsen have been appointed directors of CONTINENTAL LIFE INSURANCE and CONTINENTAL PENSIONS.

Mr H. J. Dandle, director and secretary of the SCOTTISH ASSOCIATION OF MASTER BAKERS, has been elected honorary president of the Association for 1982-83.

Mr F. Stuart Andrew, contracts director of Wellman Furnaces, has been appointed chairman of THE SOCIETY OF INDUSTRIAL FURNACE ENGINEERS (SIFE).

Table with columns: Series, Vol., Last, Nov. Last, Feb. Last, Stock. Includes sub-sections for FINANCIAL TRUSTS and INSURANCE.

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Financial Times Saturday June 5 1962

Financial Times Saturday June 5 1962

Table of financial data including stock prices for various companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

UNLISTED SECURITIES MARKET

Table listing unlisted securities such as Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

RULE 163 (1) (e)

Applications granted for specific bargains in securities not listed on any stock exchange.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any stock exchange.

RULE 163 (3)

Dealing for approved companies engaged solely in mineral exploration.

MONEY MARKETS

UK clearing bank base lending rate 13 per cent (since March 12). Interest rates maintained.

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits like Short term, 1 month, 3 months, etc.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars.

LONDON MONEY RATES

Table showing London money rates for overnight, 7 days, 1 month, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies like Sterling, U.S. dollar, etc.

OTHER CURRENCIES

Table showing rates for other currencies like Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European currency unit rates for various countries.

U.K. CONVERTIBLE STOCK 5/6/82

Table showing U.K. convertible stock data including company names, prices, and yields.

Table of financial data including stock prices for various companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

Table of financial data including stock prices for various companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

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Table of financial data including stock prices for various companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various unit trusts and their performance, including names like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

LONDON STOCK EXCHANGE

Base rate hopes stimulate Gilts and rise continues late despite new tap stock-Equities overshadowed

Account Dealing Dates

Option
\*First Declara- Last Account
Dealings ions Dealings Day
May 17 June 3 June 4 June 14

Government securities again dominated as the last day of the three-week trading Account on London stock markets came to a close yesterday.

Government securities again dominated as the last day of the three-week trading Account on London stock markets came to a close yesterday.

Long-dated Gilts improved further, extending 3.30 pm rises ranging to 2 1/2 after hours.

Insurance brokers Minet were again surrounded by bid speculation and touched 200p before settling a net 6 up at 195p.

Interest in the Banking sector was at a low ebb, but selected discount houses made progress.

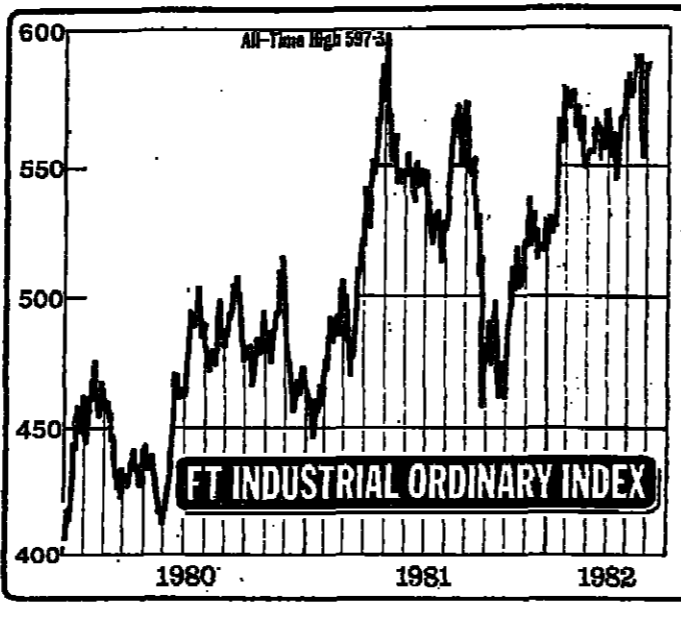
Elsewhere, revived demand in a thin market lifted Dunbar 25 to 640p, but Hambros dipped to 120p before closing a net 4 down at 123p following the departure of five directors to a rival Swedish concern.

Radio City (Sound of Merseyside), which staged an impressive debut on the Unlisted Securities Market on Thursday, encountered fresh support and touched 95p before settling a penny firmer on balance at 93p which compares with the offer price for sale of 77p.

Among other recently-issued equities, Stewart Nalra, the former textile concern revamped as a property company, shed 2 to 12p; the interim results are due on June 14.

Breweries, a resilient sector of late following a number of encouraging trading statements, attracted revived investment support and finished the Account on a firm note.

The Chemicals sector experienced a modest expansion in trading volume.



liminary results, added a penny more at 123p.

Interest in Stores was again mainly confined to secondary counters.

The Electrical leaders finished a lacklustre session with small mixed movements.

The Electrical leaders finished a lacklustre session with small mixed movements.

Georges Group 8 to 125p, while buying ahead of the interim figures, due shortly left Sidlaw 14 higher at 171p.

Oil prices were mixed, with a further setback in base-metal prices notably copper which yesterday fell to its lowest levels since late 1978.

London and Montrose Investment Trust added 4 for a two-day jump of 21 to 166p in response to the agreement of a 19.9 per cent interest in Oil Company Australia.

Mining markets closed the week on a subdued note, with interest again diminished by renewed losses in precious and base-metal prices.

Little actual selling of Golds took place with prices being marked down initially prior to rallying to close a fraction easier on balance.

The Gold Mines Index eased 2.0 to 222.0, a decline of 12.7 over the shortened week, while the bullion price closed \$1.75

FINANCIAL TIMES STOCK INDICES table showing Government Secs, Fixed Int., Industrial Ord., etc. with values for June 4, 5, 6, 7, 8, 9 and a year ago.

HIGHS AND LOWS S.E. ACTIVITY table showing High/Low for Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

LEADERS AND LAGGARS table showing percentage changes since December 31 1981 based on Thursday, June 3 1982.

OPTIONS table showing First Last Last For etc. for various stocks.

RISES AND FALLS Yesterday On the week table showing British Funds, Corporate, etc.

MONTHLY AVERAGES OF STOCK INDICES table showing Financial Times, Industrial Group, etc.

NEW HIGHS AND LOWS FOR 1982 table showing Bank of Scotland, etc.

ACTIVE STOCKS Closing price Day's change table showing American, etc.

THURSDAY'S ACTIVE STOCKS Based on bargains recorded in S.E. Official List table.

4-DAY ACTIVE STOCKS Based on bargains over the four-day period ending Thursday table.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table containing FT-Actuaries Share Indices, Equity Groups & Sub-sections, Fixed Interest, and Price Indices.

Adverse weather claims cost EIO almost £3m

LAST WINTER'S severe weather in the UK cost the Ecclesiastical Insurance Office almost £3 million in adverse weather claims.

RECENT ISSUES

Table listing recent issues of equities with columns for Issue Price, Amount, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue Price, Amount, etc.

"RIGHTS" OFFERS

Table listing rights offers with columns for Issue Price, Latest Return, etc.

June 5 1982  
STOCK INDICES  
E. ACTIVITY  
AGGARD  
STOCK INDEX  
FOR 1982

INSURANCES		
Company Name	Address	Contact
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
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Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462

INSURANCE & OVERSEAS MANAGED FUNDS		
Company Name	Address	Contact
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462

OFFSHORE AND OVERSEAS		
Company Name	Address	Contact
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462
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Abnaya Life Assurance Co. Ltd.	11, Old Broad St., London E.C.4	01-477 9462

NOTES  
Prices are in pence unless otherwise indicated and are for 100 shares unless otherwise stated. Values shown in italics are for 100 shares after payment of a dividend or other distribution. Values shown in bold type are for 100 shares after payment of a dividend or other distribution. Values shown in normal type are for 100 shares after payment of a dividend or other distribution.

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Fidelity INTERNATIONAL

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield.

Five to Fifteen Years

Table of funds categorized as Five to Fifteen Years.

Over Fifteen Years

Table of funds categorized as Over Fifteen Years.

Undated

Table of undated funds.

Index-Linked & Variable Rate

Table of index-linked and variable rate funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS Public Board and Ind.

Table of public board and industrial loans.

LOANS—Continued

Table of loans continued.

Building Societies

Table of building societies.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase.

BANKS & H.P.—Cont.

Table of banks and hire purchase continued.

Hire Purchase, etc.

Table of hire purchase, etc.

BEERS, WINES AND SPIRITS

Table of beers, wines and spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber and roads.

CHEMICALS, PLASTICS—Cont.

Table of chemicals and plastics continued.

CHEMICALS, PLASTICS—Cont.

Table of chemicals and plastics continued.

DRAPERY AND STORES

Table of drapery and stores.

ELECTRICALS

Table of electricals.

CHEMICALS, PLASTICS

Table of chemicals and plastics.

ENGINEERING—Continued

Table of engineering continued.

ENGINEERING—Continued

Table of engineering continued.

ENGINEERING—Continued

Table of engineering continued.

ENGINEERING—Continued

Table of engineering continued.

Table of food and groceries.

Table of hotels and caterers.

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America, still the land of great opportunity. Through our London Office we place all of our resources and extensive experience at the disposal of larger individual investors. Every investor is treated as an individual, with his or her portfolio receiving continuous personal attention. At Drexel Burnham Lambert providing the highest quality of service is more than a promise. It's part of our tradition. If you would like to know more about Drexel Burnham Lambert and how we can help you invest successfully and conveniently in America, please write to our Private Client Department at Winchester House, 77 London Wall, London EC2 or telephone us at 01-628 3200 for an appointment. Drexel Burnham Lambert

Table of chemicals and plastics.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc.

Table of food, groceries, etc.

Table of food, groceries, etc.

Table of food, groceries, etc.

Table of food, groceries, etc.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

LEISURE—Continued

Table of leisure and entertainment stocks including British Skyways, British Telecom, and various media companies.

PROPERTY—Continued

Table of property and real estate stocks including various real estate investment trusts and companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

OIL AND GAS—Continued

Table of oil and gas stocks including major energy companies like BP, Shell, and Esso.

Advertisement for Fire Protection and Security services, featuring a logo and contact information for Fire Protection and Security Ltd.

MINES—Continued

Table of mining stocks including various metal and coal mining companies, categorized by region like Central African and Australian.

CATERERS

Table of catering and food service stocks including companies like British Airways and various food producers.

LS (Miscel.)

Table of miscellaneous stocks including various small and medium-sized companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways and various transport firms.

SHIPPING

Table of shipping stocks including various shipping companies and related services.

SHOES AND LEATHER

Table of shoes and leather goods stocks including various retail and manufacturing companies.

SOUTH AFRICANS

Table of South African stocks including various companies listed on the Johannesburg Stock Exchange.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including major media companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and service companies.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various investment and service companies.

PROPERTY

Table of property stocks including various real estate investment trusts.

INSURANCE

Table of insurance stocks including various insurance companies.

LEISURE

Table of leisure stocks including various entertainment and service companies.

OVERSEAS TRADERS

Table of overseas trader stocks including various international trading companies.

RUBBERS AND SISALS

Table of rubber and sisal stocks including various commodity and agricultural companies.

TEAS

Table of tea stocks including various commodity and agricultural companies.

MINES

Table of mining stocks including various metal and coal mining companies.

Far West

Table of Far West stocks including various regional and commodity companies.

O.F.S.

Table of O.F.S. stocks including various international and commodity companies.

Finance

Table of finance stocks including various financial services and investment companies.

OIL AND GAS

Table of oil and gas stocks including major energy companies.

Diamond and Platinum

Table of diamond and platinum stocks including various commodity and mining companies.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data including stock prices and market indices from various international locations.

OPTIONS

Table of options market data including call and put option prices for various stocks.

Additional market information and service notices at the bottom of the page.

